

FEE EXEMPT

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13 **CHINO BASIN WATERMASTER**

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF SAN BERNARDINO

16 CHINO BASIN MUNICIPAL WATER
17 DISTRICT,

18 Plaintiff,

19 v.

20 CITY OF CHINO, et al.,

21 Defendant.

Case No. RCV RS51010

[Assigned for All Purposes to the Honorable
Stanford E. Reichert]

**CHINO BASIN WATERMASTER NOTICE
OF MOTION AND MOTION REGARDING
AMENDMENTS TO RESTATED
JUDGMENT, PEACE AGREEMENT,
PEACE II AGREEMENT, AND RE-
OPERATION SCHEDULE**

Date: March 15, 2019
Time: 1:30 p.m.
Dept.: S35

[Filed concurrently herewith: Declaration of
Bradley J. Herrema; Declaration of Peter
Kavounas; Declaration of Mark Wildermuth;
[Proposed] Order]

BROWNSTEIN HYATT FARBER SCHRECK, LLP
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Santa Barbara, CA 93101

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on March 15, 2019, at 1:30 p.m., or as soon thereafter as
3 the matter may be heard, in Department S35 of the above-entitled Court located at 247 West
4 Third Street, San Bernardino, California 92415, the Chino Basin Watermaster (“Watermaster”)
5 will and hereby does move the Court for an order:

6 (1) Approving Watermaster’s adoption of its Resolution 2019-03 directing
7 Watermaster to proceed in accordance with the Resolution and the documents attached thereto;

8 (2) Directing Watermaster to proceed to redetermine Safe Yield as set forth on pages
9 15-18 of the Court’s April 28, 2017 Order;

10 (3) Approving the amendment to Paragraph 10 of Exhibit “H” to the Restated
11 Judgment;

12 (4) Approving an amended schedule for access to Re-Operation water shown in
13 Exhibit “B” to Resolution 2019-03;

14 (5) Approving the amendments to Paragraphs 6, 9, and 10 of Exhibit “G” to the
15 Restated Judgment; and

16 (6) Directing Watermaster to implement the Restated Judgment and to continue to
17 comply with all commitments made in the Court Approved Management Agreements, as
18 amended.

19 This Motion is made pursuant to the Court’s continuing jurisdiction and authority to
20 enforce and carry out the Restated Judgment in this action with respect to the rights established
21 thereunder, and is based on this Notice, the Memorandum of Points and Authorities attached
22 hereto, the Declarations of Bradley J. Herrema, Peter Kavounas, and Mark Wildermuth, and the
23 exhibits attached thereto filed concurrently therewith, the pleadings and papers on file in this
24 case, and any oral argument the Court entertains on this matter.

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Dated: January 15, 2019

BROWNSTEIN HYATT FARBER SCHRECK, LLP



BY:

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CHRISTOPHER R. GUILLEN
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Hillside Memorial Park & Mortuary v. Golden State Water Co.
(2011) 205 Cal.App.4th 5347

Water Replenishment District of Southern California
(2012) 202 Cal.App.4th 10637

Other Authorities

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 **I. INTRODUCTION**

3 The Chino Basin Watermaster (“Watermaster”) files this motion in response to the
4 Court’s December 5, 2018 Order re Ex Parte Application to Specially Set a Hearing and Briefing
5 Schedule. On April 28, 2017, this Court entered its Orders for Watermaster’s Motion Regarding
6 2015 Safe Yield Reset Agreement, Amendment of Restated Judgement, Paragraph 6 (“April 28,
7 2017 Order”) in response to Watermaster’s request to reset the Basin’s Safe Yield pursuant to an
8 agreement among some, but not all, of the parties to the Restated Judgment. Although an appeal
9 was taken from the April 28, 2017 Order, the matter was stayed before any briefing occurred.
10 Instead, the six parties to the appeal elected to negotiate an agreement inter-se, which is
11 contingent upon amending existing court approved agreements, affecting the rights of other
12 parties, and amending the Restated Judgment, both of which require this Court’s approval. The
13 4th Appellate District has issued a limited remand to allow this Court the opportunity to consider
14 the proposed amendments.

15 Following its review of the proposed amendments, the resulting administrative directives
16 and the physical consequences, and after receipt of advice and counsel from the Pool Committees,
17 Advisory Committee, and the parties, Watermaster adopted Resolution 2019-03 urging this
18 Court’s approval of the proposed amendments as provided therein. Provided that this Court
19 concurrently confirms and directs Watermaster to reset Safe Yield in accordance with pages 15-
20 18 of its April 28, 2017 Order, there is no known opposition to the amendments.

21 **II. BACKGROUND**

22 **A. The Matters Relating to the April 28, 2017 Order Have Been Temporarily**
23 **Remanded to the Court for Consideration of the 2018 Proposed Changes**

24 The April 28, 2017 Order, among other things, reset the Safe Yield of the Basin to
25 135,000 AFY and denied Watermaster’s motion for approval of the 2015 Safe Yield Reset
26 Agreement. The Cucamonga Valley Water District, Monte Vista Water District, and the City of
27 Pomona (collectively “Appellants”) each timely filed a notice of appeal of the April 28, 2017
28 Order. (Cucamonga Valley Water District’s Notice of Appeal filed June 23, 2017; City of

1 Pomona’s Notice of Appeal filed June 26, 2017; Monte Vista Water District’s Notice of Appeal
2 filed June 27, 2017.) The appeal is presently pending as 4th Appellate District Division 2 Case
3 E068640. The Jurupa Community Services District, the City of Chino, and the City of Ontario
4 have appeared as respondents to the appeal (collectively “Respondents,” and together Appellants
5 and Respondents are hereinafter referred to as “Appeal Parties”). (See Ex Parte Application to
6 Specially Set a Hearing and Briefing Schedule; Memorandum of Points and Authorities filed
7 November 28, 2018.)

8 On July 16, 2018, the Appeal Parties requested that the Court of Appeal temporarily
9 remand the matter to this Court for the purpose of considering a motion as to certain proposed
10 amendments to the Restated Judgment and Court Approved Management Agreements (CAMA),
11 necessary to effectuate a proposed settlement among the Appeal Parties that would result in their
12 voluntary dismissal of the Appeal. (See Declaration of Sarah Christopher Foley In Support of Ex
13 Parte Application to Specially Set a Hearing and Briefing Schedule filed on November 28, 2018,
14 at ¶ 4, Ex. A.) On November 6, 2018, the Court of Appeal issued an order temporarily remanding
15 the matter to this Court for the limited purpose of reviewing the Appeal Parties’ anticipated
16 motion regarding proposed Restated Judgment and CAMA amendments. (*Id.*) On December 5,
17 2018, the Appeal Parties appeared *ex parte* before this Court to set a hearing and briefing
18 schedule on their planned motion regarding proposed Restated Judgment and CAMA
19 amendments. Thereafter, on December 28, 2018, the Court entered its Order re Ex Parte
20 Application to Specially Set a Hearing and Briefing Schedule, setting the briefing schedule for
21 consideration of the proposed Restated Judgment and CAMA amendments.

22 **B. Consideration of the 2018 Proposed Changes**

23 The Appeal Parties’ proposed Restated Judgment and CAMA amendments do not request
24 modifications to the Court’s April 28, 2017 Order. Instead, the Appeal Parties have reached
25 agreement on amendments to the Restated Judgment, the Peace Agreement, the Peace II
26 Agreement, and the Re-Operation schedule (collectively, “2018 Proposed Changes”) that would
27 comprehensively resolve their dispute and provide for the dismissal of the Appeal. The 2018
28 Proposed Changes collectively consist of:

- 1 a. Amendments to Paragraph 10 of Exhibit “H” to the Restated Judgment regarding
2 the allocation of the portion of the share of the Safe Yield allocated to the
3 Overlying (Agricultural) Pool that is not produced in a particular year
4 (“Unproduced Agricultural Pool Water”);
- 5 b. Amendments to Section 1.1(o) and Section 5.3(g) of the Peace Agreement
6 regarding the Early Transfer of Unproduced Agricultural Pool Water following
7 satisfaction of land use conversion claims;
- 8 c. Deletion of Section 7.1 and amendment of Section 6.2(b) of the Peace II
9 Agreement regarding Desalter Replenishment;
- 10 d. The amendment of the current Court-approved schedule accounting for access to
11 Re-Operation water, consistent with Exhibit “B” hereto; and
- 12 e. Amendment of section 9.2(a) of the Peace II Agreement to correct a previous
13 drafting error.

14 (Declaration of Bradley J. Herrema (“Herrema Decl.”), at ¶ 15, Ex. J.) In order for the 2018
15 Proposed Changes to be effectuated, the Court must either approve or order Watermaster to
16 proceed in accordance with each of them.

17 In June 2018, the Appeal Parties transmitted a June 6, 2018 draft of the 2018 Proposed
18 Changes to Watermaster for inclusion in the Pool Committee, Advisory Committee and Board
19 agendas for that month. (Herrema Decl., at ¶ 3.) On July 19, 2018, the Overlying (Agricultural)
20 Pool (“Ag Pool”) Committee approved the then-current version of the 2018 Proposed Changes on
21 the condition that it be merged into certain other documents and include suggested edits, one of
22 which was to “clarify that the safe yield process that was part of the [April 18, 2017 Order]
23 including peer review and the reset process remains in effect.”¹ (Herrema Decl., at ¶ 4, Ex. A.) In
24 short summary, the Ag Pool Committee sought confirmation that the 2018 Proposed Changes
25 were not intended to modify the Court’s April 28, 2017 Order approving the mechanism
26 governing future Safe Yield Resets. Apparently not satisfied that others believed this was true, on
27 August 9, 2018, the Ag Pool Committee moved to moot and nullify its prior approval of the 2018
28 Proposed Changes due to revisions to the agreement and the “apparent rejection” of its requested
edits to the agreement. (*Id.* at ¶ 6, Ex. B.)

¹ The Overlying (Non-Agricultural) Pool (“Non-Ag Pool”) Committee and Appropriative Pool Committee took no action on the 2018 Proposed Changes during their July 19, 2018 meetings. (Herrema Decl., at ¶ 5.)

1 At their September 13, 2018 meetings, the Ag Pool Committee, the Non-Ag Pool
2 Committee and the Appropriative Pool Committee considered a revised version of the 2018
3 Proposed Changes, dated September 11, 2018. The Appropriative Pool Committee approved the
4 agreement on certain conditions. (Herrema Decl., at ¶ 7, Ex. C.) The Non-Ag Pool Committee
5 also supported the agreement with certain revisions to the 2018 Proposed Changes. (*Id.*) The Ag
6 Pool Committee did not approve the agreement and reiterated the requested changes it made on
7 July 19, 2018. (*Id.*)

8 On October 18, 2018, the Appropriative Pool requested that the Watermaster Board direct
9 staff and counsel to review the substantive terms of the September 11, 2018 version of the 2018
10 Proposed Changes. Specifically, the Appropriative Pool requested “confirmation from
11 Watermaster that the agreements provide sufficient clarity for Watermaster to implement them
12 without ambiguity.” (Herrema Decl. at ¶ 8, Ex. D.) The Watermaster Board subsequently
13 directed staff and counsel to proceed with the requested review. (*Id.*) Watermaster staff and
14 counsel’s review of the September 11, 2018 version of the 2018 Proposed Changes was included
15 in the agenda package for each of the Pool Committees’ regular November meetings. (*Id.*)
16 Watermaster staff and counsel’s review suggested and requested certain clarifications, and
17 indicated that, if the 2018 Proposed Changes were to incorporate the language of pages 15-18 of
18 the Court’s April 28, 2017 Order, they could be implemented by Watermaster.

19 At its November 27, 2018 special meeting, the Appropriative Pool Committee approved
20 the 2018 Proposed Changes on the condition that they be subsequently approved by each of the
21 Appropriative Pool members’ governing bodies², and further directed its counsel to join in the
22 motion to approve the 2018 Proposed Changes. (Herrema Decl., at ¶ 10, Ex. F.) On December
23 13, 2018, in a special meeting, the Ag Pool discussed the 2018 Proposed Changes and determined
24 to withhold its approval of the 2018 Proposed Changes, and proposed modifications such that the
25 2018 Proposed Changes would include the language on pages 15-18 of the Court’s April 28, 2017
26 Order regarding the reset of the Safe Yield and reset methodology process. (*Id.* at ¶ 11, Ex. G.) In

27 _____
28 ² At this time, Watermaster is unaware of the status of approvals of the 2018 Proposed Changes
by the governing bodies of the members of the Appropriative Pool.

1 a December 20, 2018 special meeting, the Non-Ag Pool Committee, in reliance on an earlier
2 Appropriative Pool Committee action resolving not to oppose October 4, 2018 Motion Regarding
3 Amendment of the Pooling Plan for the Non-Agricultural Pool, Attached to the Judgment as
4 Exhibit G (“Non-Ag Pool Motion”), adopted a resolution of non-opposition to the 2018 Proposed
5 Changes. (*Id.* at 12, Ex. H.)

6 On January 11, 2019, the Advisory Committee convened a special meeting to consider the
7 2018 Proposed Changes. (Herrema Decl., at ¶ 14.) At that meeting, the Advisory Committee
8 approved the following motion:

9 The Advisory Committee supports (if an Appropriative Party this
10 support includes the intent to sign the agreement following any
11 necessary governing body approvals) the “2018 Agreement to
12 Appropriative Pool Pooling Plan and CAMA Amendments” and
13 hereby forwards it to the Watermaster Board for their support.

14 (*Id.*) The motion was approved by a volume vote of 80%, with the Ag Pool representative voting
15 against the motion based on the Ag Pool’s position that the 2018 Proposed Changes should also
16 clarify that pages 15-18 of the Court’s April 28, 2017 Order govern the reset of the Safe Yield
17 and reset methodology process. (*Id.*)

18 Following the calling of the special Advisory Committee meeting, consideration of the
19 2018 Proposed Changes was added to the agenda of a Watermaster Board meeting that had
20 previously been scheduled for January 11, 2019. (Herrema Decl., at ¶ 15.) At its meeting, the
21 Watermaster Board discussed the 2018 Proposed Changes with its staff, counsel, and hydrologic
22 consultant in which they testified that the 2018 Proposed Changes were implementable and would
23 not cause Material Physical Injury. (Declaration of Peter Kavounas (“Kavounas Decl.”), at ¶¶ 6-
24 7.) The Watermaster Board adopted Resolution No. 2019-03 (entitled “Resolution of the Chino
25 Basin Watermaster Regarding 2018 Appropriative Pool Pooling Plan and CAMA Amendments”),
26 resolving that the 2018 Proposed Changes “can be implemented and Watermaster endorsing” the
27 2018 Proposed Changes “so long as the Court instructs Watermaster to follow the provisions of
28 pages 15-18 of the Court’s April 28, 2017 order.” (Herrema Decl., at ¶ 15, Ex. J.) Watermaster
also found that the condition of the Ag Pool’s support was satisfied by this reference. (*Id.*)

1 **C. Proposed Amendments to the Non-Ag Pool Pooling Plan**

2 The Non-Ag Pool Motion proposes amendments to Paragraphs 6, 9, and 10 of the Non-
3 Agricultural Pool Pooling Plan, which is Exhibit “G” to the Restated Judgment. The purpose of
4 each of those proposed changes is described in detail in the Non-Ag Pool Motion. (See Non-Ag
5 Pool Motion, at pp. 2-3.)

6 The Non-Ag Pool Motion additionally describes the process through which the members
7 of the Ag Pool and the Appropriative Pool were given an opportunity to provide input as to the
8 Non-Ag Pool’s proposed amendments to the Non-Ag Pool Pooling Plan. (Non-Ag Pool Motion,
9 at pp. 1-2.) Since the time that the Non-Ag Pool Motion was filed, at its November 13, 2018
10 regular meeting, the Ag Pool Committee approved the Non-Ag Pool Motion’s contemplated
11 Restated Judgment amendments. (Herrema Decl., at ¶ 9, Ex. E.) At a December 20, 2018 special
12 meeting, the Appropriative Pool Committee adopted a resolution whereby it, and the members
13 voting on behalf of the resolution, resolved and affirmed that they do not and shall not oppose the
14 Non-Ag Pool Motion or entry of the proposed order submitted by the Non-Ag Pool Committee
15 thereon.³ (*Id.* at ¶ 13, Ex. I.) By its January 11, 2019 adoption of Resolution 2019-03, the
16 Watermaster Board recommended the Court’s approval of the amendments to Non-Ag Pool
17 Pooling Plan as described in the Non-Ag Pool Motion. (*Id.*, at ¶ 15, Ex. J.)

18 **III. STANDARDS FOR THE COURT’S CONSIDERATION**

19 Pursuant to this motion, the Court is being requested to approve certain amendments to the
20 Restated Judgment, access to Re-Operation water in accordance with Exhibit I 2(e)(i), the Peace
21 and Peace II Agreements, and to order Watermaster’s compliance.

22 The Restated Judgment does not specify the standards that should be used by the Court in
23 evaluating proposed Restated Judgment amendments under Paragraph 15, or Watermaster
24 discretionary actions under Paragraph 31. In its review of the original Peace Agreement, the

25 _____
26 ³ This action was contingent upon, and to be effective and irrevocable upon adoption by the Non-
27 Ag Pool Committee, for itself and each of its members voting in favor of the resolution, of a
28 resolution that the Non-Ag Pool Committee will not oppose (or otherwise file or offer to the
Court any negative comments about) either the 2018 Proposed Changes or entry of an order
approving the same. (Herrema Decl., at ¶ 13, Ex. I.) The Non-Ag Pool Committee adopted such
a resolution at its December 20, 2018 special meeting. (*Id.* at ¶ 12, Ex. H.)

1 Court analyzed whether the measures were consistent with and promoted the physical solution
2 under the Judgment, and whether they were consistent with Article X, section 2 of the California
3 Constitution. This standard is analogous to the trial court review of post judgment amendments
4 in other adjudications. (See *Hillside Memorial Park & Mortuary v. Golden State Water Co.*
5 (2011) 205 Cal.App.4th 534, 541-545, 549; *Water Replenishment District of Southern California*
6 (2012) 202 Cal.App.4th 1063, 1070-1072.)

7 The Court may amend the schedule for Re-Operation pursuant to a request from
8 Watermaster. Under Section 7.2(e)(i) of the Peace II Agreement, an initial schedule was
9 developed to apportion controlled overdraft and Basin Re-Operation and submitted to the Court
10 concurrent with Watermaster Resolution 07-05. Further, Watermaster has authority to “approve
11 and request Court approval of revisions to the initial schedule if Watermaster’s approval and
12 request are supported by a technical report demonstrating the continued need for access to
13 controlled overdraft, subject to the limitations set forth in amended Exhibit “I” to the Judgment
14 and the justification for the amendment.” (Peace II Agreement, §7.2(e)(ii).)

15 As for modifications to the Peace Agreement, binding upon all parties thereto, Section
16 10.14 governs amendments. It provides as follows:

- 17 (a) Any amendments and/or changes to this Agreement must be
18 in writing, signed by a duly authorized representative of the
19 Parties hereto, and must expressly state the mutual intent of
20 the Parties to amend this Agreement as set forth herein. The
21 Parties to this Agreement recognize that the terms and
22 conditions of this Agreement, which are set forth herein in
23 the Sections preceding this Section have been arrived at
24 through the collective negotiations by the Parties.
- 25 (b) The Parties hereby agree that **no amendments and/or**
26 **changes may be made to this Agreement without the**
27 **express written approval of each Party to this Agreement,**
28 provided that upon request, no such approval shall be
unreasonably withheld. (emphasis added)

(Peace Agreement, § 10.14.)

1 **IV. AS REQUESTED BY THE PARTIES TO THE APPEAL, THE COURT SHOULD**
2 **AMEND THE RESTATED JUDGMENT AND RE-OPERATION SCHEDULE,**
3 **AND ORDER WATERMASTER TO COMPLY WITH THE PEACE AND PEACE**
4 **II AGREEMENTS, AS AMENDED**

5 **A. Watermaster Can Implement the 2018 Proposed Changes Provided That It**
6 **Can Proceed in Accordance with Pages 15-18 of the Court's April 28, 2017**
7 **Order**

8 The Appeal Parties have resolved their dispute premised on the implementation of the
9 2018 Proposed Changes. (Herrema Decl., at ¶15, Ex. J.) Whether the 2018 Proposed Changes are
10 appropriate and the Restated Judgment and Re-Operation schedule should be amended and
11 Watermaster be ordered to comply with the Peace and Peace II Agreements as amended is a
12 matter on which Watermaster may appropriately advise the Court, given its duty to administer
13 and enforce the Restated Judgment and the subsequent instructions and orders of this Court.
14 (Restated Judgment, ¶ 16.)

15 Watermaster has determined that the 2018 Proposed Changes will not cause Material
16 Physical Injury and are “implementable, provided that Watermaster can proceed to recalculate
17 Safe Yield in the manner expressly approved by the Court on pages 15-18 of the Court’s April 28,
18 2017 Order.” (Herrema Decl., at ¶ 15, Ex. J.) Pages 15-18 of the Court’s April 28, 2017 Order
19 comprise sections 4.1-4.8, which, among other things, address the Safe Yield reset effective July
20 1, 2020, and the timing and methodology of the next Safe Yield reset, including the manner in
21 which the Reset Technical Memorandum’s methodology may be supplemented to incorporate
22 future advances in best management practices and hydrologic science as they evolve over the
23 course of Safe Yield reset processes. Watermaster has already begun the process of the next Safe
24 Yield reset in order to ensure that the Safe Yield, as reset, may be approved by the court no later
25 than June 30, 2020 (Kavounas Decl., at 5) and the Court’s confirmation that Watermaster should
26 proceed in compliance with pages 15-18 of the Court’s April 28, 2017 Order will provide clarity
27 and certainty for that process.

28 As explained further below, Watermaster has recommended that the Court approve the
2018 Proposed Changes, approve the amendments to the Overlying (Non-Agricultural) Pool
Pooling Plan described in the Non-Ag Pool Motion, and direct Watermaster to reset Safe Yield as

1 provided on pages 15-18 of the Court’s April 28, 2017 Order and to proceed in accordance with
2 the Court Approved Management Agreements as amended. (Herrema Decl., at ¶ 15, Ex. J.)

3 **B. The Amendments to Exhibits “G” and “H” of the Restated Judgment are**
4 **Unopposed**

5 The Non-Ag Pool Motion requests amendments to Paragraphs 6, 9, and 10 of the Exhibit
6 “G” to the Restated Judgment. These amendments, respectively, pertain to accounting for water
7 produced by a member of the Appropriative Pool for the benefit of and pursuant to the rights of a
8 member of the Non-Ag Pool, the manner in which the price per acre-foot will be set for water
9 transferred from members of the Non-Ag Pool to Watermaster and thence to members of the
10 Appropriative Pool⁴, and introduce a new paragraph that describes in greater detail the manner in
11 which members of the Non-Ag Pool may dedicate water to Watermaster for the purposes of
12 Desalter Replenishment as provided for in paragraph 5.3(e) of the Peace Agreement. The 2018
13 Proposed Changes include proposed amendments to Paragraph 10 of Exhibit “H” to the Restated
14 Judgment regarding the allocation of Unproduced Agricultural Pool Water, which are consistent
15 with the Court’s April 28, 2017 Order as to the priority of Land Use Conversion claims and the
16 Early Transfer. (April 28, 2017 Order, at pp. 58-60.)

17 At this time, as described above, the amendments to Exhibit “G” have been approved by
18 the members of the Non-Ag Pool and the Ag Pool and are unopposed by the members of the
19 Appropriative Pool. The Amendments to Exhibit “H” have been approved by the Appropriative
20 Pool Committee on the condition that they be subsequently approved by each of the
21 Appropriative Pool members’ governing bodies, supported by the Advisory Committee, and the
22 Non-Ag Pool has agreed not to oppose these amendments.

23 ⁴ The mechanism for setting this price that is currently in Paragraph 9 of the Non-Ag Pool
24 Pooling Plan no longer functions as the Metropolitan Water District of Southern California
25 (“MWD”) no longer publishes the rate that was the marker from which the price was agreed to be
26 calculated. (Watermaster Motion for Court to: (1) Re-Appoint Nine-Member Watermaster Board
27 for a Further Five-Year Term; (2) Approve Temporary Substitute Rate for Physical Solution
28 Report of the Ground-Level Monitoring Committee filed November 28, 2018, at p. 6.) The Court
has approved temporary substitute rates for many years since the MWD discontinued its
Replenishment Rate (December 28, 2018 Order on Temporary Substitute Rate, etc.), and the
proposed amendment to Paragraph 9 of Exhibit “G” will obviate the need for these annual
approvals.

1 The formally adopted position of the Ag Pool is that its opposition was limited and
2 directly linked to the fact the 2018 Proposed Changes did not include its requested clarification
3 that the process and methodology set forth in the Court’s April 28, 2017 Order on pages 15-18
4 controlled the Safe Yield reset process. Pursuant to its Resolution 2019-03, Watermaster has
5 found that if the Court provided this confirmation in its order approving the 2018 Proposed
6 Changes, the basis for obtaining Ag Pool consent will have been achieved. Watermaster is
7 further informed and believes that, should the Court enter the Proposed Findings and Order
8 Regarding Amendments to Restated Judgment, Peace Agreement, Peace II Agreement, And Re-
9 Operation Schedule (“Proposed Order”) attached hereto, the Ag Pool will further expressly
10 consent to these amendments.

11 Watermaster has found that collectively these amendments will not result in any injury to
12 the Basin and recommends that: (i) the Court approve them, as part of the 2018 Proposed
13 Changes; (ii) approve the amendments to the Overlying (Non-Agricultural) Pool Pooling Plan;
14 (iii) further order that Watermaster be directed to reset Safe Yield as provided on pages 15-18 of
15 the Court’s April 28, 2017 Order; and (iv) to proceed in accordance with the Court Approved
16 Management Agreements as amended.

17 **C. The Requested Amendment of the Re-Operation Schedule Complies with the**
18 **Peace II Agreement and the Court’s Prior Orders**

19 The 2018 Proposed Changes include the proposed amendment of the Court-approved
20 schedule for access to Re-Operation water.⁵ (Herrema Decl. at ¶ 15, Ex. J.) As defined in the
21 Peace II Agreement, Re-Operation is the controlled overdraft of the Basin by the managed
22 withdrawal of groundwater Production for the Desalters and the potential increase in the
23 cumulative un-replenished Production from 200,000 acre-feet authorized by paragraph 3 of the
24 Engineering Appendix (Exhibit “I” to the Judgment), to 600,000 acre feet for the express purpose
25 of securing and maintaining Hydraulic Control as a component of the Physical Solution. (Peace
26 II Agreement, 1.1(d).)

27 As part of the Peace II Measures, the Restated Judgment’s Engineering Appendix was

28 ⁵ The proposed amended schedule is attached to Resolution 2019-03 as Exhibit “B.”

1 amended to specify that the additional 400,000 acre-feet of controlled overdraft will be dedicated
2 exclusively for the purpose of Desalter replenishment. (Restated Judgment, at Ex. I, § 2.(b)[3].)
3 Pursuant to paragraph 7.2 of the Peace II Agreement, and as a condition subsequent to the Court's
4 approval of the Peace II Agreement (Order Concerning Motion for Approval of Peace II
5 Documents filed Dec. 21, 2007, at p. 8:16-20), Watermaster, Western Municipal Water District
6 (WMWD) and the members of the Appropriative Pool were to determine how to allocate the
7 controlled overdraft among the Desalters, and according to what schedule it would be used. To
8 the extent that the groundwater wells for the new Desalters (aka "Future Desalters") pump at least
9 50 percent of their water from the "Southern End" of the Basin as defined graphically on Exhibit
10 "3" to the Peace II Agreement, those Future Desalters would have first priority to the controlled
11 overdraft water.⁶

12 Watermaster, on behalf of the Parties, submitted a proposed corrected⁷ initial schedule for
13 the access to the Re-Operation water to the Court on February 1, 2008 as part of its compliance
14 with Condition Subsequent 2 to the Court's approval of the Peace II Measures, and the Court
15 approved this schedule. (Watermaster Compliance with December 21, 2007 Order Conditions
16 One and Two.) In compliance with Condition Subsequent 7 to the Court's approval of the Peace
17 II Measures, on December 23, 2008, Watermaster submitted to the Court a revised schedule to
18 replace the initial schedule.⁸ The Court approved this revised schedule on February 2, 2009, and
19 the schedule for access to the Re-Operation water has not been amended since that time.

20 The 2018 Proposed Changes' proposed revised schedule would reallocate, among the
21 original Desalters and the Desalter Expansion, the availability of Re-Operation water, to ensure
22 that, consistent with the expectations of the Desalter Parties at the time of the Peace II

23 _____
24 ⁶ In this way, the allocation of the controlled overdraft water made available through Basin Re-
operation would facilitate the ability of the parties to implement the final, and perhaps most
difficult, increment of desalting capacity for the Basin.

25 ⁷ A corrected schedule was necessary because modeling showed that the initial schedule was too
26 aggressive in assumptions regarding the timeframe over which New Yield would be realized as a
result of Re-Operation. (See Watermaster Compliance with December 21, 2007 Order
Conditions One and Two, at pp. 17-18.)

27 ⁸ Revision to the schedule was necessary to reconcile New Yield and stormwater estimates for
28 2000/01 through 2006/07, and address how Watermaster would account for unreplenished
overproduction for that period.

1 Agreement, the total quantity of Re-Operation water will be utilized during the term of the Peace
2 II Agreement (by 2030). In 2007, WMWD proposed to assume the obligation of pursuing the
3 Future Desalters and they were subsequently joined by the Jurupa Community Services District
4 and the City of Ontario. (Declaration of Mark Wildermuth (“Wildermuth Decl.”), at ¶ 5.) This
5 initial group comprised less than the complete CDA membership – that had constructed and was
6 operating the then-existing Desalters. (*Id.*) The proposed allocation of Re-Operation water was
7 apportioned among the then-existing and the planned future Desalters, to ensure the completion
8 of the additional 10 MGD of desalting capacity by WMWD and to reflect its capital
9 commitments.

10 Since that time, WMWD has joined the CDA and the entirety of the Desalter pumping
11 contemplated under the OBMP Implementation Plan is consolidated within CDA. Accordingly,
12 the differential allocation of access to Re-Operation water among the groups of Desalters is no
13 longer necessary and allowing access to the Re-Operation water for any Desalter pumping will
14 ensure that the intent of the Peace II Agreement – that this water be utilized during its term – and
15 the corresponding Maximum Benefit benefits are realized. Consequently, there is no remaining
16 purpose for segregating the Re-Operation water and the schedule can be modified as supported by
17 the Appropriate Pool Committee and Advisory Committee, unopposed by the Non-Ag Pool
18 Committee, and conditionally supported by the Ag Pool Committee.

19 Further, as the Watermaster is in substantial compliance with the Recharge Master Plan as
20 required by Restated Judgment, Exhibit “I”, paragraph 2(b)(6)⁹ and the requested amendment of
21 the current Court-approved schedule accounting for access to Re-Operation water will not cause
22 Material Physical Injury (Herrema Decl., at ¶ 15, Ex. J; Wildermuth Decl., at ¶ 6), the Court
23 should approve this amendment to the schedule for access to Re-Operation water, as its goals are

24 ⁹ Resolution 2018-04 of the Chino Basin Watermaster Regarding the Adoption of the 2018
25 Recharge Master Plan (see Declaration of Bradley J. Herrema in Support of Motion for Court
26 Approval of 2018 Recharge Master Plan Updated filed October 9, 2018, at ¶ 9, Ex. C) found that
27 “There exists sufficient recharge capacity to meet future replenishment obligations identified in
28 the 2013 RMPU. If Basin Re-Operation were terminated prior to 2030, Watermaster would be
able to increase its replenishment activity in order to maintain hydrologic balance within the
Basin, in compliance with the Recharge Master Plan.” The Court approved the 2018 RMPU on
December 28, 2018. (Order Approving Watermaster’s 2018 Recharge Master Plan Update,
entered December 28, 2018.)

1 appropriate and in furtherance of the Restated Judgment, and the prior agreements and Court
2 orders, and will ensure that the purpose of the Re-Operation water will be served and allows the
3 parties, to fulfill their Desalter Replenishment obligations with certainty for their water supply
4 planning purposes.

5 **D. With Consent of All Signatories to the Peace Agreement, the Court Can**
6 **Order Watermaster's Compliance with the Amendment to the Peace and**
7 **Peace II Agreements**

8 As described above, Section 10.14 requires that an amendment of the Peace Agreement is
9 subject to the written approval of each Party to that Agreement. The 2018 Proposed Changes
10 include amendments to Section 1.1(o) and Section 5.3(g) of the Peace Agreement regarding the
11 Early Transfer of Unproduced Agricultural Pool Water following satisfaction of land use
12 conversion claims, the deletion of Section 7.1 and amendment of Section 6.2(b) of the Peace II
13 Agreement regarding Desalter Replenishment, and the amendment of Section 9.2(a) of the Peace
14 II Agreement to correct a previous drafting error.

15 The Appropriative Pool has acted to approve the amendments. Each of its members is
16 being offered the opportunity to execute a formal approval. Acting in a representative capacity
17 the Non-Ag Pool¹⁰ has consented by the quid pro quo of mutual non-opposition with the
18 Appropriative Pool Committee. In short, the Non-Ag Pool agreed not to oppose the 2018
19 Proposed Changes if the Appropriative Pool agreed not to oppose the Non-Ag Pool Pooling Plan
20 amendments.

21 Acting in a representative capacity¹¹, the Ag Pool has stated that it does not oppose the
22 2018 Proposed Changes if the Court will clarify and confirm that pages 15-18 of the Court's
23 April 28, 2017 Order govern the process for Watermaster resetting Safe Yield. The Ag Pool has
24 previously issued a request for assurance from other parties to the Peace Agreement and no
25 assurance has been forthcoming. In a good faith effort to achieve compliance with Section 10.14
26 of the Peace Agreement, Watermaster's Resolution expressly incorporates the Ag Pool's request

27 ¹⁰ With the exception of Kaiser Ventures, Inc., which signed for itself, the Non-Ag Pool signed
28 the Peace Agreement on behalf of its members. (See Peace Agreement.) Kaiser no longer owns
any water rights in the Basin and is not active in the Non-Ag Pool.

¹¹ With the exception of the State of California, which signed for itself, the Ag Pool signed the
Peace Agreement on behalf of its members. (See Peace Agreement.)

1 for clarification on this point as a further request from the Court. If this clarification by the Court
2 is forthcoming, there is no opposition to the 2018 Proposed Changes.

3 There are additional signatories to the Peace Agreement that are not members of any of
4 the Pools¹², and if necessary, consent and any required signatures from Parties to the Peace
5 Agreement can be secured by March 15, 2019, or by a later date established by the Court.

6 **V. CONCLUSION**

7 The 2018 Proposed Changes have been negotiated among the parties to the appeal and
8 affects the rights of other parties to the Judgment and Court approved agreements. Watermaster
9 unanimously approved Resolution 2019-03 concluding that the 2018 Proposed Changes are
10 implementable and will not cause Material Physical Injury. It also establishes the factual
11 foundation for the Court to find express and implied consent by all parties in satisfaction of
12 Section 10.14 of the Peace Agreement and the Court's approval will further the public interest in
13 the settlement of such disputes. This Court's order will remove the cloud of the pending appeal
14 and facilitate the continued efficient administration of sustainable management of groundwater in
15 the Chino Basin. Watermaster respectfully urges the Court's approval.

16 Dated: January 15, 2019

BROWNSTEIN HYATT FARBER SCHRECK, LLP



17
18
19 BY: _____

SCOTT S. SLATER
BRADLEY J. HERREMA
CHRISTOPHER R. GUILLEN
ATTORNEYS FOR CHINO BASIN WATERMASTER

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26
27 ¹² These include the Chino Basin Water Conservation District, the Inland Empire Utilities
28 Agency, the Three Valleys Municipal Water District, and the Western Municipal Water District.
(See Peace Agreement.)

FEE EXEMPT

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12 Attorneys for
13 **CHINO BASIN WATERMASTER**

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF SAN BERNARDINO

16 CHINO BASIN MUNICIPAL WATER
17 DISTRICT,

18 Plaintiff,

19 v.

20 CITY OF CHINO, et al.,

21 Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the Honorable
Stanford E. Reichert]

**DECLARATION OF BRADLEY J.
HERREMA IN SUPPORT OF MOTION
REGARDING AMENDMENTS TO
RESTATED JUDGMENT, PEACE
AGREEMENT, PEACE II AGREEMENT,
AND RE-OPERATION SCHEDULE**

Date: March 15, 2019
Time: 1:30 p.m.
Dept.: S35

[Filed concurrently herewith: Motion Regarding
Amendments to Restated Judgment, Peace
Agreement, Peace II Agreement, and Re-
Operation Schedule; Declaration of Peter
Kavounas; Declaration of Mark Wildermuth;
[Proposed] Order]

BROWNSTEIN HYATT FARBER SCHRECK, LLP
1021 Anacapa Street, 2nd Floor
Santa Barbara, CA 93101-2102

1 I, Bradley J. Herrema, declare as follows:

2 1. I am an attorney duly admitted to practice before all of the courts of this State, and
3 am a shareholder in the law firm of Brownstein Hyatt Farber Schreck, LLP, counsel of record for
4 Chino Basin Watermaster (“Watermaster”). I have personal knowledge of the facts stated in this
5 declaration, except where stated on information and belief, and if called as a witness, I could and
6 would competently testify to them under oath. I make this declaration in support of the above-
7 referenced motion.

8 2. As legal counsel for Watermaster, I am familiar with Watermaster’s practices and
9 procedures, as well as actions taken by the Pool Committees, Advisory Committee and the
10 Watermaster Board (“Board”).

11 3. In June 2018, the parties to the appeal of this Court’s April 28, 2017 Orders for
12 Watermaster’s Motion Regarding 2015 Safe Yield Reset Agreement, Amendment of Restated
13 Judgment, Paragraph 6 (“April 28, 2017 Order”) – the Cucamonga Valley Water District, Monte
14 Vista Water District, City of Pomona, Jurupa Community Services District, City of Chino and
15 City of Ontario (collectively, “Appeal Parties”) – transmitted a draft of proposed amendments to
16 the Restated Judgment, the Peace Agreement, the Peace II Agreement, and the Re-Operation
17 schedule (“2018 Proposed Changes”) to Watermaster for inclusion in the Pool Committee,
18 Advisory Committee and Board agendas for that month.

19 4. On July 19, 2018, the Overlying (Agricultural) Pool (“Ag Pool”) Committee
20 approved the then-current version of the 2018 Proposed Changes on the condition that it be
21 merged into certain other documents and include suggested edits. Attached hereto as **Exhibit A**
22 is a true and correct copy of the minutes of the Ag Pool Committee’s July 19, 2018 meeting
23 reflecting this action.

24 5. The Overlying (Non-Agricultural) Pool (“Non-Ag Pool”) Committee and
25 Appropriative Pool Committee took no action on the 2018 Proposed Changes during their July
26 19, 2018 meetings.

27 6. On August 9, 2018, the Ag Pool Committee moved to moot and nullify its prior
28 approval of the 2018 Proposed Changes due to revisions to the agreement and the “apparent

1 rejection” of its requested edits to the agreement. Attached hereto as **Exhibit B** is a true and
2 correct copy of the minutes of the Ag Pool Committee’s August 9, 2018 meeting reflecting this
3 action.

4 7. At their September 13, 2018 meetings, the Ag Pool Committee, the Non-Ag Pool
5 Committee and the Appropriative Pool Committee considered a revised version of the 2018
6 Proposed Changes. The Appropriative Pool Committee approved the agreement on certain
7 conditions. The Non-Ag Pool Committee also supported the agreement with certain revisions to
8 the 2018 Proposed Changes. The Ag Pool Committee did not approve the agreement and
9 reiterated the requested changes it made on July 19, 2018. The attached **Exhibit C** comprises a
10 true and correct copy of each of the Pool Committee’s minutes from its respective September 13,
11 2018 meetings reflecting these actions.

12 8. On October 18, 2018, via a written letter, the Appropriative Pool requested that the
13 Watermaster Board direct staff and counsel to review the substantive terms of the then-current
14 version of the 2018 Proposed Changes. The Watermaster Board subsequently directed staff and
15 counsel to proceed with the requested review. The October 18, 2018 letter and Watermaster staff
16 and counsel’s review of the September 11, 2018 version of the 2018 Proposed Changes were
17 included in the agenda package for each of the Pool Committees’ regular November meetings.
18 Attached hereto as **Exhibit D** is a true and correct copy of the Staff Report for Items II.F
19 (Appropriative Pool and Non-Ag Pool) and II.E (Ag Pool), including the October 18, 2018 letter
20 and Watermaster staff and counsel’s review of the 2018 Proposed Changes, included in the Pool
21 Committees’ November meeting agenda package.

22 9. At its November 13, 2018 regular meeting, the Ag Pool Committee approved the
23 proposed amendments to Paragraphs 6, 9, and 10 of the Non-Agricultural Pool Pooling Plan as
24 requested in the Non-Ag Pool’s Motion Regarding Amendment of the Pooling Plan for the Non-
25 Agricultural Pool, Attached to the Judgment as Exhibit G, filed on October 4, 2018. Attached
26 hereto as **Exhibit E** is a true and correct copy of the minutes of the Ag Pool Committee’s
27 November 13, 2018 meeting reflecting this action.

28 ///

1 10. At its November 27, 2018 special meeting, the Appropriative Pool Committee
2 approved the 2018 Proposed Changes on the condition that they be subsequently approved by
3 each of the Appropriative Pool members' governing bodies, and further directed its counsel to
4 join in the motion to approve the 2018 Proposed Changes. Attached hereto as **Exhibit F** is a true
5 and correct copy of the minutes of the Appropriative Pool Committee's November 27, 2018
6 meeting reflecting this action.

7 11. On December 13, 2018, in a special meeting, the Ag Pool discussed the 2018
8 Proposed Changes and determined to withhold its approval of the 2018 Proposed Changes with
9 the request that the Agreement be modified to include certain requests. Attached hereto as
10 **Exhibit G** is a true and correct copy of the minutes of the Ag Pool Committee's December 13,
11 2018 meeting reflecting this action.

12 12. On December 20, 2018, the Non-Ag Pool, in a special meeting, adopted a
13 resolution to not oppose the 2018 Proposed Changes. Attached hereto as **Exhibit H** is a true and
14 correct copy of the minutes of the Non-Ag Pool Committee's December 20, 2018 meeting
15 reflecting this action.

16 13. At a December 20, 2018 special meeting, the Appropriative Pool Committee
17 adopted a resolution whereby it, and the members voting on behalf of the resolution, resolved and
18 affirmed that they do not and shall not oppose the Non-Ag Pool Motion or entry of the proposed
19 order submitted by the Non-Ag Pool Committee thereon. Attached hereto as **Exhibit I** is a true
20 and correct copy of the minutes of the Appropriative Pool Committee's December 20, 2018
21 meeting reflecting this action.

22 14. On January 11, 2019, the Advisory Committee convened a special meeting to
23 consider the 2018 Proposed Changes. I attended this meeting, and at the meeting, the Advisory
24 Committee approved the following motion:

25 The Advisory Committee supports (if an Appropriative Party this
26 support includes the intent to sign the agreement following any
27 necessary governing body approvals) the "2018 Agreement to
28 Appropriative Pool Pooling Plan and CAMA Amendments" and
hereby forwards it to the Watermaster Board for their support.

1 The motion was approved by a volume vote of 80%, with the Ag Pool representative voting
2 against the motion based on the Ag Pool's position that the 2018 Proposed Changes should also
3 clarify that pages 15-18 of the Court's April 28, 2017 Order govern the reset of the Safe Yield
4 and reset methodology process.

5 15. Following the calling of the special Advisory Committee meeting, consideration of
6 the 2018 Proposed Changes was added to the agenda of a Watermaster Board meeting that had
7 previously been scheduled for January 11, 2019. At the January 11, 2019 meeting, which I
8 attended, the Watermaster Board discussed the 2018 Proposed Changes with its staff, counsel,
9 and hydrologic consultant. Following that discussion, the Watermaster Board adopted Resolution
10 No. 2019-03, Resolution of the Chino Basin Watermaster Regarding 2018 Appropriative Pool
11 Pooling Plan and CAMA Amendments. Watermaster Resolution 2019-03 includes Exhibit A, a
12 copy of the 2018 Proposed Changes, and Exhibit B, the "Amended schedule for access to Re-
13 Operation water." Attached hereto as **Exhibit J** is a true and correct copy of Watermaster Board
14 Resolution No. 2019-03, including its exhibits.

15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct.

17 Dated this 15th day of January, 2019, at Rancho Cucamonga, California.

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Bradley J. Herrema

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EXHIBIT A

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

July 19, 2018

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on July 19, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Pete Hall	State of California – CIM
Lawrence Dimock	State of California – CIM
Carol Boyd	State of California – CIM
Henry De Haan	Dairy
John Huitsing	Dairy
Andrew Silva for Bob Page	County of San Bernardino
Ronald Pietersma	Dairy
Ron LaBrucherie, Jr.	Crops

WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Justin Nakano	Water Resources Senior Associate
Janine Wilson	Senior Accountant

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group, Inc.
Richard Rees	Wood plc

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:40 p.m.

AGENDA – ADDITIONS/REORDER

(0:00:50) Ms. Egoscue suggested that the Pool take Business Item II.B. after Item VII. Confidential Session.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Agricultural Pool Meeting held on June 15, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2018
2. Watermaster VISA Check Detail for the month of May 2018
3. Combining Schedule for the Period July 1, 2017 through May 31, 2018
4. Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018

C. APPLICATION FOR RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage account.

(0:02:31)

*Motion by Vice-Chair Jeff Pierson seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote
Moved to approve the Consent Calendar as presented.*

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/18 BUDGET TRANSFER (FORM T-18-06-01)

Recommend to the Advisory Committee to approve Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) as presented.

(0:03:24) Mr. Joswiak gave a report.

(0:05:49)

*Motion by Vice-Chair Jeff Pierson seconded by Mr. Henry De Haan and by unanimous vote
Moved to approve Business Item II.A. as presented.*

B. ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE

Discuss and possibly take action and make recommendations to the Advisory Committee.

1. Exhibit "G" Transfer Rate Amendment
2. Peace Agreement Paragraph 5.3(e) Interpretation
3. Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal From April 28, 2017 Order

Business Item II.B. was reordered to follow Item VII. Confidential Session.

The Pool took Business Item II.B. during Confidential Session and the reportable action is provided in sequence below.

C. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. July 24, 2018 Hearing
3. Overlying (Agricultural) Pool Committee's Consolidated and Amended Contests
4. General Manager Performance Evaluation

(0:06:43) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Storage Framework
2. Ground-Level Monitoring Committee Annual Report

(0:13:35) Mr. Malone gave a report.

C. CFO REPORT

1. Audit of FY 2016/17 Groundwater Recharge O&M Expenses
2. Watermaster FTP Site

(0:17:25) Mr. Joswiak gave a report. A discussion ensued.

D. GM REPORT

1. SGMA Update
2. Recharge Master Plan Update
3. RMPU Project 23a Grant
4. Other

(0:26:06) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Item III.D.1.

(0:27:12) Mr. Kavounas introduced Mr. Nakano to give reports on Items III.D.2. and III.D.3.

(0:28:28) Mr. Kavounas announced that Rick Zapien resigned from his position at Watermaster, and Watermaster will use the services of Wildermuth Environmental Inc. with water quality data field work until the Field Specialist position is filled. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for June 2018
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 2:12 p.m. to discuss Appeal of April 28, 2017 Order, Advisory Committee Request For Watermaster Assistance, July 24, 2018 Court Hearing, and Storage Contest. Confidential session concluded at 3:32 p.m.

(0:32:11) Ms. Egoscue provided the following reportable action:

Regarding Business Item II.B., Advisory Committee Request For Watermaster Assistance:

The Ag Pool voted unanimously to approve the process and the following documents provided in advance of the meeting by Watermaster staff:

1. 2018 Acknowledgment and Consent to CAMA Amendments
2. Physical Solution Transfers
3. Chino Basin Watermaster Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment

The Ag Pool approval is contingent upon the following modifications to the above documents:

1. All three documents should be merged into one inclusive document.
2. On page 2, paragraph 2 please add the effective date of the Safe Yield reset.
3. On page 2, paragraph 2 please clarify that the safe yield process that was part of the Judge's Order including peer review and the reset process remains in effect.
4. Page 4, (iv) please clarify what is meant by the term "particular year."
5. Page 8, the State requests that they be removed as a signatory.

Motion by Mr. Ron Pietersma, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote.

Moved to approve action as described above.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 3:40 p.m.

Secretary: _____

Approved: _____ August 9, 2018 _____

EXHIBIT B

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

August 9, 2018

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on August 9, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Pete Hall	State of California – CIM
Lawrence Dimock	State of California – CIM
Carol Boyd	State of California – CIM
Ronald Pietersma	Dairy
John Huitsing	Dairy
Nathan deBoom	Dairy
Henry De Haan	Dairy
Bob Page	County of San Bernardino

WATERMASTER BOARD MEMBERS PRESENT

Paul Hofer	Crops
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WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Nelson	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Todd Corbin	Jurupa Community Services District
Richard Rees	Wood plc
Tracy Egoscue	Egoscue Law Group, Inc.

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:36 p.m.

AGENDA – ADDITIONS/REORDER

(0:00:44) Chair Feenstra requested to defer Business Item II.D. until after Confidential Session.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Agricultural Pool Meeting held on July 19, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of June 2018
2. Watermaster VISA Check Detail for the month of June 2018
3. Combining Schedule for the Period July 1, 2017 through June 30, 2018
4. Treasurer's Report of Financial Affairs for the Period June 1, 2018 through June 30, 2018
5. Budget vs. Actual Report for the Period July 1, 2017 through June 30, 2018

C. WATER TRANSACTIONS

Provide advice and assistance to the Watermaster Board on the proposed transaction:
The purchase of 500,000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's Excess Carryover Account. Date of application: July 11, 2018.

(0:01:27)

Motion by Mr. Nathan deBoom seconded by Mr. Pete Hall, and by unanimous vote
Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. RIGHT OF ENTRY AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND THE CITY OF POMONA FOR CONSTRUCTION AND OPERATION OF THE POMONA EXTENSOMETER

Recommend to the Advisory Committee to approve the Right of Entry Agreement between the Chino Basin Watermaster and the City of Pomona for Construction and Operation of the Pomona Extensometer.

(0:01:49) Mr. Kavounas gave a report.

(0:02:43)

Motion by Mr. Ronald Pietersma seconded by Mr. John Huitsing, and by unanimous vote
Moved to approve Business Item II.A. as presented.

B. TASK ORDER NO. 3 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: POMONA EXTENSOMETER CONTRACT ADMINISTRATION

Recommend to the Advisory Committee to approve Task Order No. 3 Under Master Agreement for Collaborative Projects: Pomona Extensometer Contract Administration.

(0:03:12) Mr. Kavounas gave a report. A discussion ensued.

(0:05:24)

Motion by Mr. Nathan deBoom seconded by Mr. Henry De Haan, and by unanimous vote
Moved to approve Business Item II.B. as presented.

C. RIGHT OF ENTRY AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND CHINO REAL ESTATE 13799 LLC (MONITORING WELL PRESERVATION AT FORMER CROWN COACH FACILITY)

Recommend to the Advisory Committee to approve the Right of Entry Agreement between the Chino Basin Watermaster and Chino Real Estate 13799 LLC.

(0:05:46) Mr. Kavounas gave a report.

(0:07:55)

Motion by Mr. Henry De Haan seconded by Mr. John Huitsing, and by unanimous vote
Moved to approve Business Item II.C. as presented.

D. ADVISORY COMMITTEE REQUEST FOR CONTINUED WATERMASTER ASSISTANCE

Discuss and possibly take action.

The Pool took Business Item II.D. during confidential session and the reportable actions are provided in sequence below.

E. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. August 17, 2018 Hearing
3. Overlying (Agricultural) Pool Committee's Consolidated and Amended Contests

(0:09:19) Mr. Herrema gave a report.

(0:12:49) Chair Feenstra invited Mr. Corbin to update the Pool regarding the Safe Yield Reset Appeal. A discussion ensued.

B. ENGINEER REPORT

1. Storage Framework
2. Fiscal Year 2017/18 GLMC Annual Report

(0:27:53) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

1. MOU Regarding Contributions of Safe Yield For Desalter Replenishment
2. 2018 RMPU
3. Storage Management Plan Development Schedule
4. Other

(0:30:57) Mr. Kavounas gave a report on Item III.D.1

(0:31:49) Mr. Nakano gave a report on Item III.D.2.

(0:32:24) Mr. Kavounas gave a report on Item III.D.3.

(0:33:37) Mr. Kavounas shared the Appropriative Pool's motion regarding Business Item II.D. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for July 2018
2. Recharge Investigations and Projects Committee (RIPCom)
3. Ground-Level Monitoring Committee Semi-Annual Status Report

V. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 2:14 p.m. to discuss Appeal of April 28, 2017 Order, August 17, 2018 Hearing, Advisory Committee Request For Continued Watermaster Assistance, Overlying (Agricultural) Pool Committee's Consolidated and Amended Contests, Storage, and Strategic Planning. Confidential session concluded at 3:07 p.m.

(0:37:52) Ms. Egoscue provided the following two reportable actions:

Regarding Business Item II.D. – Advisory Committee Request For Continued Watermaster Assistance:

In the absence of a proposed final document, the Agricultural Pool has determined that the prior approval by the Pool is moot and has been nullified by the subsequent revisions to the operative proposed settlement, as well as the Parties apparent rejection of the Ag Pool's edits upon which the approval was contingent.

*Motion by Mr. Ron Pietersma, seconded by Ms. Carol Boyd and by unanimous vote.
Moved to approve action as described above.*

Regarding Storage:

The draft Tolling Agreement presented by the Appropriative Pool legal counsel was approved.

*Motion by Mr. Ron Pietersma, seconded by Mr. John Huitsing and by unanimous vote.
Moved to approve action as described above.*

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 3:09 p.m.

Secretary: _____

Approved: _____ September 13, 2018 _____

EXHIBIT C

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

September 13, 2018

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on September 13, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Pete Hall	State of California – CIM
Lawrence Dimock	State of California – CIM
Bob Page	County of San Bernardino
Marilyn Levin for Carol Boyd	State of California – DOJ
John Huitsing	Dairy
Nathan deBoom	Dairy
Ronald Pietersma	Dairy
Ron LaBrucherie, Jr.	Crops

WATERMASTER BOARD MEMBERS PRESENT

Paul Hofer	Crops
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WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Nelson	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.
Carolina Sanchez	Wildermuth Environmental, Inc.

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group, Inc.
Richard Rees	Wood plc
Joshua Aguilar	Inland Empire Utilities Agency

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:35 p.m.

AGENDA – ADDITIONS/REORDER

(0:00:27) Vice-Chair Pierson suggested to take Consent Calendar Item I.D. separately.

(0:00:44) Chair Feenstra pulled Consent Calendar Item I.C. to be taken separately.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Agricultural Pool Meeting held on August 9, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of July 2018
2. Watermaster VISA Check Detail for the month of July 2018
3. Combining Schedule for the Period July 1, 2018 through July 31, 2018
4. Treasurer's Report of Financial Affairs for the Period July 1, 2018 through July 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through July 31, 2018

C. OBMP SEMI-ANNUAL STATUS REPORTS 2018-1

Recommend to the Advisory Committee recommend to the Watermaster Board to adopt the Semi-Annual OBMP Status Report 2018-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

D. CONSIDERATION OF APPLICATION FOR LOCAL STORAGE AGREEMENTS – OVERLYING (NON-AGRICULTURAL) POOL

Recommend to the Advisory Committee to recommend that Watermaster Board approves the application for local storage agreements as presented.

(0:01:23)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Nathan deBoom, and by unanimous vote
Moved to approve Consent Calendar Items I.A. and I.B. as presented.

(0:02:22) Ms. Levin asked a question regarding Item I.C. concerning no mention of TCP Plume in Semi-Annual Report 2018-1. A discussion ensued.

(0:04:12) Mr. Kavounas noted that Item I.C., OBMP Semi-Annual Status Report 2018-1, has a minor wording change to refine the intended meaning of the report on page 60, third bullet-point. A discussion ensued.

(0:06:59) Ms. Levin introduced the motion that the Pool conditionally approves Item I.C. to move to the September Advisory Committee meeting if there are non-substantive changes; however, if there are substantive changes, the item will be brought back to the Pool meeting in October. Also, Mr. Kavounas will research if the Pool's request to look at the TCP Plume is relevant to be mentioned in the OBMP Semi-Annual Status Report 2018-1.

(0:07:21)

Motion by Ms. Marilyn Levin, seconded by Mr. Pete Hall, and by unanimous vote
Moved to approve Consent Calendar Item I.C. as presented, subject to the notes above.

(0:07:43) The Pool went into Confidential Session.

(0:08:02) Mr. LaBrucherie introduced a motion for Item Consent Calendar Item I.D.

(0:08:14) Mr. Kavounas reported the actions the Appropriative Pool and Non-Agricultural Pool took for Consent Calendar Item I.D.

(0:08:39) Vote Taken

Motion by Mr. Ron LaBrucherie, Jr., seconded by Mr. Nathan deBoom, and by unanimous vote
Moved bring Consent Calendar Item I.D. back to the October 2018 Pool meetings.

Abstention by Mr. Bob Page – County of San Bernardino

II. BUSINESS ITEMS

A. FISCAL YEAR 2018/19 BUDGET TRANSFER (FORM T -18-07-01)

Recommend to the Advisory Committee to approve Fiscal Year 2018/19 Budget Transfer (Form T-18-07-01).

(0:09:26) Mr. Joswiak gave a report. A discussion ensued.

(0:17:41) Motion by Mr. Pietersma, seconded by Mr. Pete Hall. Further discussion ensued.

(0:21:05) Vote Taken

Motion by Mr. Ron Pietersma, seconded by Mr. Pete Hall, and by unanimous vote

Moved to approve Business Item II.A. as presented.

B. 2018 RECHARGE MASTER PLAN UPDATE AND RESOLUTION

Recommend Advisory Committee to recommend to Watermaster Board to approve the 2018 RMPU as presented and adopt Resolution No. 2018-04.

(0:21:20) Mr. Kavounas introduced Ms. Sanchez from Wildermuth Environmental, Inc. to give a presentation. A discussion ensued.

(0:34:16)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Pete Hall, and by unanimous vote

Moved to approve Business Item II.B. as presented

C. TASK ORDER NO. 4 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: CHINO BASIN CONJUNCTIVE USE ENVIRONMENTAL WATER STORAGE/EXCHANGE PROGRAM EVALUATION AND CONCEPTUAL DESIGN SUPPORT.

Recommend to the Advisory Committee to approve Task Order No. 4 Under Master Agreement for Collaborative Projects: Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program Evaluation and Conceptual Design Support.

(0:34:34) Mr. Kavounas introduced Mr. Aguilar from Inland Empire Utilities Agency to give a report. A discussion ensued.

(0:36:46)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Nathan deBoom, and by unanimous vote

Moved to approve Business Item II.C. as presented

D. SAFE YIELD RESET-RELATED AGREEMENT DISCUSSION

Discussion and possible action.

(0:37:27) Mr. Kavounas gave a report.

(0:39:38) Mr. Pietersma introduced the motion that the Agricultural Pool does not approve the proposed Safe Yield Reset-Related Agreements as presented on September 11, 2018. The Agricultural Pool respectfully requests that the parties address the Ag Pool comments requested by him on July 19, 2018, as follows:

1. Please add the effective date of the Safe Yield Reset.
2. Please include the Safe Yield process that was part of the Judge's April 28, 2017 Order.
3. The Ag Pool respectfully requests that the final version of the Safe Yield Reset-Related Agreements be brought back to the October 2018 Pool meeting for the Pool's reconsideration.

(0:41:02) Vote taken

Motion by Mr. Ron Pietersma, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote

Moved to approve Business Item II.D. as stated above.

E. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. August 24, 2018 Hearing

(0:41:54) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Framework
2. Fiscal Year 2017/18 GLMC Annual Report

(0:43:28) Mr. Malone gave a report.

C. CFO REPORT

None

(0:45:03) Chair Feenstra requested the balance of the Agricultural Pool's private fund be reported during the October 2018 Ag Pool meeting.

D. GM REPORT

1. Proposed Changes to DYY Program Operation
2. CDA Production
3. Changes to the Overlying (Non-Agricultural) Pool Pooling Plan
4. Other

(0:45:35) Mr. Kavounas gave a report, and announced that Watermaster will be sending out a "Save-The-Date" notice for the 40th Judgment Anniversary event on December 4, 2018 at 4:00 p.m. He commented on the CalDesal membership, provided an update on the upcoming Assessment Package and workshops, and the TCP Plume does not belong and will not be included in the OBMP Semi-Annual Status Report 2018-1. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for August 2018
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

V. POOL DISCUSSION

3. Chairman's Update
4. Pool Member Comments

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 1:43 p.m. to discuss Appeal of the April 28, 2017 Order, August 17, 2018 Hearing, Storage, and Business Item II.D., Safe Yield Reset-Related Agreement. Confidential session concluded at 2:53 p.m. with the action for Business Item II.D. shown above.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 3:44 p.m.

Secretary: _____

Approved: _____ October 11, 2018

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING
September 13, 2018

The Non-Agricultural Pool meeting was held at the offices of Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on September 13, 2018.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	California Speedway Corporation
Andrew Silva for Bob Page	County of San Bernardino (Non-Ag)

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Vice-Chair	CalMat Co.
Ramsey Haddad	California Steel Industries
Tom O'Neill	City of Ontario (Non-Ag)

WATERMASTER BOARD MEMBER PRESENT AT WATERMASTER

Bob Kuhn	Three Valleys Municipal Water District
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WATERMASTER STAFF PRESENT AT WATERMASTER

Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Nelson	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate
Janine Wilson	Senior Accountant

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.
Carolina Sanchez	Wildermuth Environmental, Inc.

OTHERS PRESENT AT WATERMASTER

Todd Corbin	Jurupa Community Services District
Joshua Aguilar	Inland Empire Utilities Agency

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:00 a.m.

ROLL CALL

Ms. Wilson conducted the roll call.

AGENDA – ADDITIONS/REORDER

None

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

Receive and file as presented:

1. Minutes of the Non-Agricultural Pool Meeting held August 9, 2018

(0:01:51)

Motion by Mr. Andrew Silva, seconded by Mr. Tom O'Neill. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to receive and file Business Item I.A. as presented.

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of July 2018
2. Watermaster VISA Check Detail for the month of July 2018
3. Combining Schedule for the Period July 1, 2018 through July 31, 2018
4. Treasurer's Report of Financial Affairs for the Period July 1, 2018 through July 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through July 31, 2018

(0:02:13)

Motion by Mr. Andrew Silva, seconded by Vice-Chair Bob Bowcock. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to receive and file Business Item I.B. without approval as presented.

C. OBMP SEMI-ANNUAL STATUS REPORTS 2018-1

Recommend to the Advisory Committee recommend to the Watermaster Board to adopt the Semi-Annual OBMP Status Report 2018-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

(0:02:48) Mr. Tellez Foster reported that Item I.C., OBMP Semi-Annual Status Report 2018-1, has a minor wording change to refine the intended meaning of the report on page 60, third bullet-point.

(0:03:43)

Motion by Mr. Andrew Silva, seconded by Mr. Tom O'Neill. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to approve staff recommendation of Business Item I.C. and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate with the changes noted above.

D. CONSIDERATION OF APPLICATION FOR LOCAL STORAGE AGREEMENTS – OVERLYING (NON-AGRICULTURAL) POOL

Recommend to the Advisory Committee to recommend that Watermaster Board approves the application for local storage agreements as presented.

(0:04:06) Mr. Herrema gave a report.

(0:04:43) Mr. Corbin gave a report. A discussion ensued.

The Pool took Business Item I.D. during confidential session and the reportable actions are provided in sequence below.

II. BUSINESS ITEMS**A. FISCAL YEAR 2018/19 BUDGET TRANSFER (FORM T-18-07-01)**

Recommend to the Advisory Committee to approve Fiscal Year 2018/19 Budget Transfer (Form T-18-07-01).

(0:08:40) Mr. Joswiak gave a report.

(0:10:33)

Motion by Mr. Andrew Silva, seconded by Mr. Tom O'Neill. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to approve staff recommendation of Business Item II.A. and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

B. 2018 RECHARGE MASTER PLAN UPDATE AND RESOLUTION NO. 2018-04

Recommend Advisory Committee to recommend to Watermaster Board to approve the 2018 RMPU as presented and adopt Resolution No. 2018-04.

(0:12:29) Ms. Sanchez from Wildermuth Environmental, Inc. gave a presentation. A discussion ensued.

(0:19:19)

Motion by Mr. Andrew Silva, seconded by Mr. Tom O'Neill. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to approve staff recommendation of Business Item II.B. and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

C. TASK ORDER NO. 4 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: CHINO BASIN CONJUNCTIVE USE ENVIRONMENTAL WATER STORAGE/EXCHANGE PROGRAM EVALUATION AND CONCEPTUAL DESIGN SUPPORT.

Recommend to the Advisory Committee to approve Task Order No. 4 Under Master Agreement for Collaborative Projects: Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program Evaluation and Conceptual Design Support.

(0:19:50) Mr. Tellez Foster gave a preface of Business Item II.C. A discussion ensued.

(0:22:01) Mr. Aguilar from Inland Empire Utilities Agency gave a report. A discussion ensued.

(0:24:50)

Motion by Vice-Chair Bob Bowcock, seconded by Mr. Andrew Silva. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to approve staff recommendation of Business Item II.C. and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

D. SAFE YIELD RESET-RELATED AGREEMENT DISCUSSION

Discussion and possible action.

(0:25:26) Mr. Corbin gave a report. A discussion ensued.

The Pool took Business Item II.D. during confidential session and the reportable actions are provided in sequence below.

E. CHANGES TO THE OVERLYING (NON-AGRICULTURAL) POOL POOLING PLAN

Discussion and possible action.

The Pool took Business Item II.E. during confidential session and the reportable actions are provided in sequence below.

F. MEMBER STATUS CHANGES (For Discussion and Possible Action)

1. Any proposed transfer of Safe Yield by a Member.
2. Any transfer of Safe Yield that has actually closed or been completed.
3. Any change in name or corporate identity of a Member (such as results from a merger or filing of a change of name certificate).
4. Any change in the name of a representative or alternate representative of a Member, or a change in e-mail address for either such person.

(0:31:09) Mr. Herrema reported that Watermaster was not aware of any member status changes.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. August 24, 2018 Hearing

(0:31:20) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Framework
2. Fiscal Year 2017/18 GLMC Annual Report

(0:32:57) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

1. Proposed Changes to DYY Program Operation
2. CDA Production
3. Other

(0:34:21) Mr. Tellez Foster gave a report on behalf of Mr. Kavounas, who was in attendance at the Appropriative Pool meeting. A discussion ensued.

(0:37:44) Mr. Herrema reported that Watermaster will be sending out a "Save-The-Date" notice for the 40th Judgment Anniversary event on December 4, 2018 at 4:00 p.m. He also commented on the CalDesal membership, and gave an update on the upcoming Assessment Package and workshops. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for August 2018
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION – POSSIBLE ACTION

Chair Geye called for a confidential session at 11:43 a.m. to discuss Exhibit "G" Transfer Rate Amendment, Peace Agreement Paragraph 5.3(e) Interpretation, Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal From April 28, 2017 Order, Business Item I.D. Confidential session concluded at 12:32 p.m. with the following reportable actions:

(0:40:24)

1. Business Item I.D., Consideration of Application for Local Storage Agreements – Overlying (Non-Agricultural) Pool:
Approve the Non-Ag Pool's Local Storage Application, direct Advisory and Board representatives to support, and direct Watermaster to agendize the item for the November Advisory Committee meeting.

2. Business Item II.D., Safe Yield-Related Agreement Discussion:
Recommend Advisory and Board representatives support the Safe Yield Reset Related Agreement, with a change to 6.2(b)(iv)(5) adding the exclusion of Non-Ag Pool water transferred pursuant to Section 6 or Section 10 of Exhibit G. Direct pool counsel to work with the six-party group to facilitate said change.

3. Business Item II.E., Changes to the Overlying (Non-Agricultural) Pool Pooling Plan
Approve Pooling Plan changes with the correction to the Section 6 "assignee/transferee" language, and authorize Pool Chair to direct Pool counsel to file with the Court, when appropriate.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:34 p.m.

Secretary: _____

Approved: _____ October 11, 2018

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
September 13, 2018

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on September 13, 2018.

APPROPRIATIVE POOL MEMBERS PRESENT

Teri Layton, Chair
Van Jew, Vice-Chair
Todd Corbin
Raul Garibay for Darron Poulsen
John Bosler
Ron Craig
Ben Lewis
Cris Fealy
Eric Tarango
Rosemary Hoerning
Katie Gienger for Scott Burton
Dave Crosley

San Antonio Water Company
Monte Vista Water District
Jurupa Community Services District
City of Pomona
Cucamonga Valley Water District
City of Chino Hills
Golden State Water Company
Fontana Water Company
Fontana Union Water Company
City of Upland
City of Ontario
City of Chino

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn
Eunice Ulloa

Three Valleys Municipal Water District
City of Chino

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Nelson
Justin Nakano

General Manager
Chief Financial Officer
Senior Environmental Engineer
Executive Services Director/Board Clerk
Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Mark Wildermuth
Andy Malone
Carolina Sanchez

Brownstein Hyatt Farber Schreck, LLP
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.

OTHERS PRESENT

Curtis Paxton
Shaun Stone
Scott Burton
Eric Grubb
Courtney Jones
Steve Sentes
Chris Diggs
Joshua Aguilar
Amanda Coker
Manny Martinez
John Schatz

Chino Basin Desalter Authority
Inland Empire Utilities Agency
City of Ontario
Cucamonga Valley Water District
City of Ontario
Chino Basin Water Conservation District
City of Pomona
Inland Empire Utilities Agency
City of Chino
Monte Vista Water District
John J. Schatz, Attorney at Law

CALL TO ORDER

Chair Layton called the Appropriative Pool meeting to order at 9:00 a.m.

AGENDA – ADDITIONS/REORDER

(0:00:19) Chair Layton called for confidential session to be taken first due to time constraint for the Appropriative Pool legal counsel.

(0:01:06) Chair Layton called for Business Item II.D. to be taken following confidential session, and invited Mr. Corbin to speak. See reportable action in sequence below.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Appropriative Pool Meeting held August 9, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of July 2018
2. Watermaster VISA Check Detail for the month of July 2018
3. Combining Schedule for the Period July 1, 2018 through July 31, 2018
4. Treasurer's Report of Financial Affairs for the Period July 1, 2018 through July 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through July 31, 2018

C. OBMP SEMI-ANNUAL STATUS REPORTS 2018-1

Recommend to the Advisory Committee recommend to the Watermaster Board to adopt the Semi-Annual OBMP Status Report 2018-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

D. CONSIDERATION OF APPLICATION FOR LOCAL STORAGE AGREEMENTS – OVERLYING (NON-AGRICULTURAL) POOL

Recommend to the Advisory Committee to recommend that Watermaster Board approves the application for local storage agreements as presented.

(0:05:35) Ms. Hoerning asked for Item I.D. be pulled from the agenda for separate discussion and made a motion to approve Consent Calendar Items I.A – I.C. and was seconded by Vice-Chair Jew.

(0:05:55) Mr. Kavounas reported that Item I.C., OBMP Semi-Annual Status Report 2018-1, has a minor wording change to refine the intended meaning of the report on page 60, third bullet-point.

(0:07:04) The maker of the motion accepted the changes that Mr. Kavounas reported.

(0:07:20) Vote Taken

*Motion by Ms. Rosemary Hoerning, seconded by Vice-Chair Van Jew, and by unanimous vote
Moved to approve Consent Calendar Items I.A. – I.C. as presented.*

(0:07:33) Ms. Hoerning asked questions regarding Item I.D. A discussion ensued.

(0:27:09) Motion introduced by Mr. Crosley and seconded by Chair Layton. Further discussion ensued.

(0:29:12) Vote Taken

*Motion by Mr. Dave Crosley, seconded by Chair Teri Layton, and by unanimous vote
Moved to defer Consent Calendar Item I.D., reach out to the Non-Ag Pool to discuss, and bring back to October 2018 Pool meeting.*

II. BUSINESS ITEMS

A. FISCAL YEAR 2018/19 BUDGET TRANSFER (FORM T-18-07-01)

Recommend to the Advisory Committee to approve Fiscal Year 2018/19 Budget Transfer (Form T-18-07-01).

(0:30:20) Mr. Joswiak gave a report. A discussion ensued.

Mr. Corbin left at 10:46 a.m.

(0:44:54)

Motion by Mr. Van Jew, seconded by Mr. Ron Craig, and by unanimous vote

Moved to approve Business Item II.A. as presented.

B. 2018 RECHARGE MASTER PLAN UPDATE AND RESOLUTION NO. 2018-04

Recommend Advisory Committee to recommend to Watermaster Board to approve the 2018 RMPU as presented and adopt Resolution No. 2018-04.

(0:45:35) Ms. Sanchez from Wildermuth Environmental, Inc. gave a presentation. A discussion ensued.

(0:58:51)

Motion by Mr. Ron Craig, seconded by Ms. Rosemary Hoerning, and by unanimous vote

Moved to approve Business Item II.B. as presented.

C. TASK ORDER NO. 4 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: CHINO BASIN CONJUNCTIVE USE ENVIRONMENTAL WATER STORAGE/EXCHANGE PROGRAM EVALUATION AND CONCEPTUAL DESIGN SUPPORT.

Recommend to the Advisory Committee to approve Task Order No. 4 Under Master Agreement for Collaborative Projects: Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program Evaluation and Conceptual Design Support.

(0:59:16) Mr. Kavounas prefaced Business Item II.C. and introduced Mr. Aguilar from Inland Empire Utilities Agency to give a report.

Vice-Chair Jew left the meeting at 11:12 a.m.

Ms. Hoerning left the meeting at 11:13 a.m.

(0:59:53) Mr. Aguilar gave a report.

(1:03:43) Ms. Gienger requested to modify the language on page 115, regarding the last sentence of the first bullet-point under *Proposed* to read "The proposed maximum storage capacity..." Further discussion ensued.

(1:10:46)

Motion by Mr. John Bosler, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.C. as presented with the modifications as stated above.

Abstention by Mr. Ron Craig – City of Chino Hills

D. SAFE YIELD RESET-RELATED AGREEMENT DISCUSSION

Discussion and possible action.

This item was taken first after Confidential Session.

(0:02:55) Motion introduced by Mr. Corbin, seconded by Ms. Gienger: The Appropriative Pool approves the 2018 Agreement to Judgment and CAMA Amendments including Exhibit A, subject to the following four conditions:

1. That there is a clarification that the Desalter Replenishment formula with respect to adjusted physical production included in this document includes the production of Exhibit "G," Section 9 transferred water from the Non-Ag Pool to the Appropriative Pool. That was an element that was discussed and our goal here is to just make sure that the language is consistent to what we believe the agreement is between the parties, so we'd like to add that.
2. That the Non-Ag Pooling Plan that is going to be discussed at some point in the future, and I believe today on the Non-Ag Pool agenda, that that Pooling Plan be refined for consistency with this element so that both documents are consistent with each other in relation specifically to Exhibit "G," Section 9.
3. That the Appropriative Pool parties intend to recommend this agreement to their governing boards and that this approval is conditional upon that approval of each of the governing boards.
4. The Appropriative Pool further request confirmation from Watermaster that the agreements provide sufficient clarity for Watermaster to implement them without ambiguity. Some evaluation from Watermaster that what you have before you can be implemented, and any clarification needs to happen, then let's do it before it moves to the Court for approval.

(0:05:16) *Vote taken*

Motion by Mr. Todd Corbin, seconded by Ms. Katie Gienger, and by unanimous vote

Motion to approve Business Item II.D. as shown above.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. August 24, 2018 Hearing

(1:11:30) Mr. Kavounas reported on behalf of Mr. Herrema, who left to attend the Non-Agricultural Pool Meeting.

B. ENGINEER REPORT

1. Storage Framework
2. Fiscal Year 2017/18 GLMC Annual Report

(1:13:00) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

- 1. Proposed Changes to DYY Program Operation
- 2. CDA Production
- 3. Changes to the Overlying (Non-Agricultural) Pool Pooling Plan
- 4. Other

(1:14:22) Mr. Kavounas gave a report, and announced that Watermaster will be sending out a "Save-The-Date" notice for its 40th Judgment Anniversary event on December 4, 2018 at 4:00 p.m. He also provided a status update on the Assessment Packages, and commented on the CalDesal membership. A discussion ensued.

IV. INFORMATION

- 1. Cash Disbursements for August 2018
- 2. Recharge Investigations and Projects Committee (RIPCom)

VI. POOL MEMBER COMMENTS

(1:20:06) Mr. Craig commented that at least one agency (maybe more) are challenging the TCP MCL. A discussion ensued.

(1:22:56) Mr. Corbin informed the Pool that he updated Non-Agricultural Pool on the actions the Appropriative Pool took regarding Consent Calendar Item I.D. and Business Item II.D., and that the Non-Agricultural Pool will discuss further in its confidential session.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Layton called for a confidential session at 9:01 a.m. to discuss Business Item II.D., Safe Yield-Related Agreement, and Appropriative Pool Strategic Planning. Confidential session concluded at 10:13 a.m. with no reportable action .

The Appropriative Pool considered Item II.D immediately following the Confidential Session.

ADJOURNMENT

Chair Layton adjourned the Appropriative Pool meeting at 11:38 a.m.

Secretary: _____

Approved: _____ October 11, 2018

EXHIBIT D

CHINO BASIN WATERMASTER

- II. BUSINESS ITEMS (App & Non-Ag Pool)
 - F. SAFE YIELD RESET-RELATED AGREEMENT

- II. BUSINESS ITEMS (Ag Pool)
 - E. SAFE YIELD RESET-RELATED AGREEMENT

Memorandum

From: Peter Kavounas, General Manager

To: Appropriative Pool Committee

Date: November 1, 2018

Subject: Chino Basin Watermaster review and comments in response to October 28, 2018 Appropriative Pool request

By its October 28, 2018 letter, the Appropriative Pool requested that the Watermaster Board direct staff and counsel to review the substantive terms of the most current version of the "2018 Agreement to Judgment and CAMA Amendments including Exhibit A" that was conditionally approved by the Appropriative Pool at its September 13, 2018 meeting. The requested review was described by the Appropriative Pool Committee, as

confirmation from Watermaster that the agreements provide sufficient clarity for Watermaster to implement them without ambiguity. Some evaluation from Watermaster that what you have before you can be implemented, and any clarification needs to happen, then let's do it before it moves to the Court for approvals.

In response to the AP October 18, 2018 letter, the Board has directed staff and Counsel to proceed with the requested review of Exhibit A to the attached version of the 2018 Agreement to Judgment and CAMA Amendments, labeled as "Proposed Changes to Judgment and CAMA" ("Proposed Changes"). Following are Watermaster's staff and Counsel review and comments as to the clarity and ability to implement these proposed changes.

Initially, in regard to Watermaster staff and counsel's review of the Proposed Changes, we wish to clarify the following:

1. This review is limited to whether the Proposed Changes are "implementable". Our review does not include any documents not expressly referenced below.
2. This review is not an express or implied endorsement of the Proposed Changes. The Watermaster Board reserves its complete discretion in its review of the Proposed Changes and such time they may be presented to the Board for a requested action.
3. This review is provided in response to the request by the Appropriative Pool referenced above for the mutual benefit of the members of the Appropriative Pool, as well as all other Parties to the Restated Judgment, for consideration in their review of the Proposed Changes.

1. Safe Yield, A.

WM comment: the proposed Judgment Amendment is clear. It is unclear from the language by itself when this change would be effective and whether it is intended to alter the Court's adoption of sections 4.1-4.8 of the Safe Yield Reset Agreement (Orders for Watermaster's Motion Regarding 2015 Safe Yield Reset

Agreement, Amendment of Restated Judgment (“April 28, 2017 Order”), Paragraph 6, pp. 15-18). If the Proposed Changes were to incorporate sections 4.1 through 4.8 or similar provisions, or the Court’s order approving the Proposed Changes makes clear that this portion of its April 28, 2017 Order remain in effect, this Judgment Amendment can be implemented.

1. Safe Yield, B

WM comment: the proposed Judgment Amendment is clear and can be implemented.

2. Early Transfer, A and B

WM comment: the proposed Peace Agreement Amendments are clear and can be implemented.

3. Conversion Claims

WM comment: the proposed Judgment Amendment is clear and can be implemented.

4. Controlled Overdraft

WM comment: the proposed schedule amendment is clear and can be implemented.

5. New Yield

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented.

6. Desalter Replenishment, (b)(i)

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented.

6. Desalter Replenishment, (b)(ii)

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented. To avoid possible future confusion regarding the term “formula” the language could be changed

from “...total land use conversion claims. The formula is to be adjusted annually based on the actual land use conversion allocations of the year.”

to “...total land use conversion claims. ~~The formula is to be adjusted annually~~ based on the actual land use conversion allocations of the year.”

6. Desalter Replenishment, (b)(iii)

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented.

6. Desalter Replenishment, (b)(iv)

WM comment: it is unclear to Watermaster how this provision should be implemented. Proposed section 6.2(b)(iv) states that, "Pump-to-waste production that is determined by Watermaster to be subsequently recharged to the groundwater basin within the same Year is not counted in Adjusted Physical Production." When contrasted with the Excel tables that were provided as the attachments to the proposed amendments, the language is confusing as it appears the tables add recharged pump-to-waste water credits in their calculations. This ambiguity must be resolved for Watermaster to be able to implement it.

6. Desalter Replenishment, (b)(v)

WM comment: the proposed Peace II Agreement Amendment is narrower than the language proposed by the Non-Agricultural Pool in its proposed amendment to its Pooling Plan. Additionally, the Non-Agricultural Pool's proposed language would provide a procedure for effectuation of the "transfers" that is not included in the Proposed Changes. While this provision can be implemented as proposed, it is unclear whether and how the language of each of these provisions are intended to be reconciled.

6. Desalter Replenishment, (b)(vi)

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented.

7. Allocation of Non-Agricultural Pool OBMP Special Assessment

WM comment: the proposed Peace II Agreement Amendment is clear and can be implemented.

We hope the above review is helpful to the Appropriative Pool.

Attachments:

AP request; letter dated October 18, 2018

10.18.2018 Agreement to Judgment and CAMA Amendments including Exhibit A

Exhibit AP ReOp Schedule

Exhibit AP DRO Contribution calculation

Exhibit AP RDRO calculation

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Appropriative Pool

Chair: Teri Layton
Vice-Chair: Van Jew

Chino Basin Watermaster

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org



October 18, 2018

Robert DiPrimio
Chairman, Board of Directors
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

RE: Watermaster Judgment/CAMA Amendment Agreement Clarity and Implementation Review

Honorable Mr. DiPrimio:

Following the September 13, 2018 Appropriative Pool Committee meeting the following request was made to Watermaster:

“The Appropriative Pool further requests confirmation from Watermaster that the agreements provide sufficient clarity for Watermaster to implement them without ambiguity. Some evaluation from Watermaster that what you have before you can be implemented, and any clarification needs to happen, then let’s do it before it moves to the Court for approvals.”

Attached is the most current version of the document considered by the Appropriative Pool at its September meeting. The Appropriative Pool requests that the Watermaster Board direct staff and counsel to provide the requested review as to these document. While discussions continue regarding finalization of the document and outstanding concerns of some parties, we believe Watermaster can review the substantive terms in their present form for purposes of clarity and implementation and reserve review regarding proposed provisions that remain subject to discussion or negotiation between parties or the Pools. Review at this time is also critical in the event provisions or issues emerge with respect to clarity and implementation that may delay completion of the Safe Yield Reset process. We request that the result of Watermaster’s review be available for the November Pools and Advisory Committee meetings.

We appreciate Watermaster’s consideration of this request and look forward to working with the staff and legal counsel so we can move forward expeditiously.

Sincerely,

A handwritten signature in cursive script that reads "Teri Layton".

Teri Layton
Chair of Appropriative Pool Committee

Attachment entitled: 2018 Agreement to Judgment and CAMA Amendments, dated 9/11/18

Cc: Watermaster Board of Directors

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2018 Agreement to Judgment and CAMA Amendments

This Agreement, dated _____, 2018, regarding the Chino Basin, provides for the consensual and unopposed amendment of the Judgment and the Peace Agreement and the Peace II Agreement (Court Approved Management Agreements or CAMAs).

Each Party to this Agreement is a party to the Judgment in *Chino Basin Municipal Water District vs. City of Chino*, San Bernardino Superior Court Case No. RCVRS 510100, adjudicating the water rights in the Chino Basin.

1. **Judgment and CAMA Amendments.** The Parties agree to the Judgment and CAMA Amendments set forth in Exhibit A.
2. **Conditions Precedent.** Each Party's obligations under this Agreement are subject to the following conditions:
 - a. A final order by the trial court (i) approving the Judgment and CAMA Amendments, as written, and (ii) ordering Watermaster to implement the Judgment in accordance with the Judgment and CAMA Amendments.
 - b. Dismissal of the pending appeal from the trial court order dated April 27, 2017 (Court of Appeal Case No. E068640).
3. **Continuing Jurisdiction.** Nothing in this Agreement or the Judgment and CAMA Amendments alters the court's continuing jurisdiction, as set forth in Paragraph 15 of the Judgment.
4. **Authority.** The signatories represent that they have the authority to bind the Party on whose behalf they are signing below to the terms of this Agreement.
5. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together constitute one agreement binding on all Parties. Facsimile and email copies are treated as original signatures and have the same binding effect.
6. **Advice of Counsel.** In executing this Agreement, the Parties have relied on the legal advice of their respective attorneys, who are their attorneys of their own choice, and the terms of this Agreement have been completely read and explained by the respective attorneys. The Parties fully understand and voluntarily accept those terms. The Parties have not relied on any representation or statement by any person about the subject matter, basis or effect of this Agreement, other than the express provisions contained in the Agreement.
7. **Non-Severability.** Each of the provisions of this Agreement, and each of the Judgment and CAMA Amendments, is integrated with and integral to the whole and is not severable from the remainder of the Agreement.

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**Proposed Signatories to the
2018 Agreement Judgment and CAMA Amendments**

Appropriative Pool:

San Antonio Water Company
Monte Vista Water District
Monte Vista Irrigation Company
Nestle Waters North America
City of Chino
City of Chino Hills
City of Fontana
City of Norco
City of Ontario
City of Pomona
City of Upland
County of San Bernardino
Cucamonga Valley Water District
Fontana Union Water Company
Fontana Water Company
Golden State Water Company
Jurupa Community Services District
Marygold Mutual Water Company
Niagara Bottling Company
Nicholson Trust
Santa Ana River Water Company
West End Consolidated Water Company
West Valley Water District

Non Agricultural Pool: signed by Pool Chair upon approval of the Pool

Agricultural Pool: signed by Pool Chair upon approval of the Pool

Municipals:

Inland Empire Utilities Agency
Western Municipal Water District
Three Valleys Municipal Water District

Other:

Chino Basin Water Conservation District

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Exhibit A

Proposed Changes to Judgment and CAMA

1. Safe Yield

A. As provided in the 2017 Order, paragraph 6 of the Judgment is amended to read as follows:

6. Safe Yield. The Safe Yield of Chino Basin is ~~135,000~~ 140,000 acre-feet per year.

B. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) "Early Transfer" means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* rather than according to the five-year increment described in Paragraph 10 of Exhibit "H" of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an "Early Transfer" of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3 ~~(h)~~ below.

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to

satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

43. ~~Agricultural Conversion Claims~~ Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

Comment [TSB1]: This responds to an Ag Pool comment. This is the heading used in the Judgment.

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

54. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

65. **New Yield.** Section 7.1 of the Peace II Agreement, entitled "New Yield Attributable to Desalters," is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 7-6 below.

76. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph 8(e) ~~§(c)~~ to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, ~~followed by~~

Comment [TSB2]: Corrects an erroneous cross-reference.

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Comment [TSB3]: Suggested by JCSD.

(ii) *The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:*

- (1) *85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and*
- (2) *After all unproduced Overlying (Agricultural) Pool water is allocated pursuant to Exhibit H, paragraph 10 of the Judgment, 15% of the total (1,500 afy) will be allocated*

according to each land use conversion agency's percentage of the total land use conversion claims ~~in a particular year~~. The formula is to be adjusted annually based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation ~~after applying both 6(b)(i) and 6(b)(ii)~~, allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. ~~pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.~~

Comment [TSB4]: suggestion from Monte Vista Irrigation Company.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the ~~beneficiary party making beneficial use of the water~~, not the actual producer.

Comment [TSB5]: change suggested by the County of San Bernardino.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but

in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

- (3) Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, ~~except that for~~ in-lieu participation in such programs: in-lieu put quantities shall be added to Adjusted Physical Production, and in-lieu take quantities shall be subtracted from Adjusted Physical Production.
- (4) Pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin within the same Year is not counted in Adjusted Physical Production.
- (5) The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water produced by an Appropriative Pool member under an annual assignment.

(v) Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.

(vi) (iii) -The quantification of any Party's share of Operating Safe Yield does not include *either* land use conversions *or* Early Transfers.

7. Allocation of Non-Agricultural Pool OBMP Special Assessment. The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph 8(e)-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Comment [TSB6]: Suggested by Monte Vista.

Comment [TSB7]: Suggestion by JCSD, in response to a comment by Upland.

Comment [TSB8]: Added in response to a Non-Ag-Pool comment.

Comment [TSB9]: Revised to be consistent with Non-Ag-Pool amendments.

Comment [TSB10]: Corrects a typo.

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and

Calculation of Remaining Desalter Replenishment Obligation (DRO)

Production from 2018-19 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	28,589.799	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	1,462.522	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	6,817.321	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

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PRIVILEGED AND CONFIDENTIAL – COMPROMISE AND SETTLEMENT DOCUMENT
 Comparison of ReOp Water Schedules
 4/16/2018

NEW PROPOSAL

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Sum Total
Peace I Desalter Production	29,228	29,541	27,009	26,726	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Peace II Desalter Production	15	449	1,154	1,527	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
AP "DRO Contribution"	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
ReOp Water	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(175,000)
NonAg Assessment	0	0	0	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	
Net DRO	6,743	7,490	5,663	5,018	16,765	16,765	16,765	16,765	16,765	16,765	16,765	16,765	24,265	24,265	24,265	24,265	24,265	280,359

ORIGINAL PROPOSAL

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Sum Total
Peace I Desalter Production	29,228	29,541	27,009	26,726	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Peace II Desalter Production	15	449	1,154	1,527	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
"SARUNY" - "DIR"	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
ReOp Water	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)						(175,000)
NonAg Assessment	0	0	0	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	
Net DRO	4,660	5,407	3,580	2,935	14,682	14,682	14,682	14,682	14,682	14,682	14,682	14,682	29,265	29,265	29,265	29,265	29,265	280,359

CURRENT SCHEDULE

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Sum Total
Peace I Desalter Production	29,228	29,541	27,009	26,726	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Peace II Desalter Production	15	449	1,154	1,527	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
"SARUNY" - "DIR"	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ReOp Water	(1,303)	(449)	(1,154)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(142,906)
NonAg Assessment	0	0	0	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	(735)	
Net DRO	27,940	29,541	27,009	17,518	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	482,453

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucomonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2014/15

Production Year 2014/15 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2014/15 Common Data (Headings from Approved 2015/2016 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Land Percent of Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,222.774	4.568%	327.335	68.522	395.857
Chino, City of	7.357%	7,860.248	29.365%	625.345	440.472	1,065.817
Cucamonga Valley Water District	6.601%	598.364	2.235%	561.085	33.531	594.616
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.116%	0.170	46.736	46.906
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	14,060.392	52.528%	319.515	787.915	1,107.430
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.206%	747.745	3.086	750.831
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,136.725	7.983%	1,763.070	119.738	1,882.808
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,767.578	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2015/16

Production Year 2015/16 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2015/16 Common Data (Headings from Approved 2016/2017 Assessment Package)				Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions				
	a		b		c = %b		d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use	Land Conversions (Page 12A)*	Land Conversions	Percent of Use	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution	
Arrowhead Mtn Spring Water Co	0.000%		0.000		0.000%	0.000	0.000	0.000	
Chino Hills, City of	3.851%		1,222.774		4.455%	327.335	66.818	394.153	
Chino, City of	7.357%		8,309.518		30.271%	625.345	454.069	1,079.414	
Cucamonga Valley Water District	6.601%		598.364		2.180%	561.085	32.697	593.782	
Fontana Union Water Company	11.657%		0.000		0.000%	990.845	0.000	990.845	
Fontana Water Company	0.002%		834.000		3.038%	0.170	45.573	45.743	
Fontana, City of	0.000%		0.000		0.000%	0.000	0.000	0.000	
Golden State Water Company	0.750%		0.000		0.000%	63.750	0.000	63.750	
Jurupa Community Services District	3.759%		14,201.712		51.736%	319.515	776.045	1,095.560	
Marygold Mutual Water Company	1.195%		0.000		0.000%	101.575	0.000	101.575	
Monte Vista Irrigation Company	1.234%		0.000		0.000%	104.890	0.000	104.890	
Monte Vista Water District	8.797%		67.615		0.246%	747.745	3.695	751.440	
Niagara Bottling, LLC	0.000%		0.000		0.000%	0.000	0.000	0.000	
Nicholson Trust	0.007%		0.000		0.000%	0.595	0.000	0.595	
Norco, City of	0.368%		0.000		0.000%	31.280	0.000	31.280	
Ontario, City of	20.742%		2,216.205		8.074%	1,763.070	121.103	1,884.173	
Pomona, City of	20.454%		0.000		0.000%	1,738.590	0.000	1,738.590	
San Antonio Water Company	2.748%		0.000		0.000%	233.580	0.000	233.580	
San Bernardino, County of (Shooting Park)	0.000%		0.000		0.000%	0.000	0.000	0.000	
Santa Ana River Water Company	2.373%		0.000		0.000%	201.705	0.000	201.705	
Upland, City of	5.202%		0.000		0.000%	442.170	0.000	442.170	
West End Consolidated Water Co	1.728%		0.000		0.000%	146.880	0.000	146.880	
West Valley Water District	1.175%		0.000		0.000%	99.875	0.000	99.875	
	100.000%		27,450.188		100.000%	8,500.000	1,500.000	10,000.000	

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2016/17

Production Year 2016/17 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2016/17 Common Data (Headings from Approved 2017/2018 Assessment Package)				Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b		d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Land Conversions	Percent of Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,222.774		4.321%	327.335	64.821	392.156
Chino, City of	7.357%	8,455.798		29.884%	625.345	448.257	1,073.602
Cucamonga Valley Water District	6.601%	598.364		2.115%	561.085	31.720	592.805
Fontana Union Water Company	11.657%	0.000		0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000		2.947%	0.170	44.212	44.382
Fontana, City of	0.000%	0.000		0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000		0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	14,605.072		51.616%	319.515	774.240	1,093.755
Marygold Mutual Water Company	1.195%	0.000		0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000		0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	67.615		0.239%	747.745	3.584	751.329
Niagara Bottling, LLC	0.000%	0.000		0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000		0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000		0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,511.989		8.878%	1,763.070	133.165	1,896.235
Pomona, City of	20.454%	0.000		0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000		0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000		0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000		0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000		0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000		0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000		0.000%	99.875	0.000	99.875
	100.000%	28,295.612		100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2013/14 - 2016/17

Appropriative Pool Party	Production Years				
	2013/14	2014/15	2015/16	2016/17	TOTAL
Arrowhead Mtn Spring Water Co	-	-	-	-	0.000
Chino Hills, City of	392.35	395.86	394.15	392.16	1,574.514
Chino, City of	1,062.42	1,065.82	1,079.41	1,073.60	4,281.252
Cucamonga Valley Water District	595.39	594.62	593.78	592.81	2,376.596
Fontana Union Water Company	990.85	990.85	990.85	990.85	3,963.380
Fontana Water Company	47.99	46.91	45.74	44.38	185.019
Fontana, City of	-	-	-	-	0.000
Golden State Water Company	63.75	63.75	63.75	63.75	255.000
Jurupa Community Services District	1,115.12	1,107.43	1,095.56	1,093.76	4,411.862
Marygold Mutual Water Company	101.58	101.58	101.58	101.58	406.300
Monte Vista Irrigation Company	104.89	104.89	104.89	104.89	419.560
Monte Vista Water District	750.90	750.83	751.44	751.33	3,004.503
Niagara Bottling, LLC	-	-	-	-	0.000
Nicholson Trust	0.60	0.60	0.60	0.60	2.380
Norco, City of	31.28	31.28	31.28	31.28	125.120
Ontario, City of	1,880.10	1,882.81	1,884.17	1,896.23	7,543.314
Pomona, City of	1,738.59	1,738.59	1,738.59	1,738.59	6,954.360
San Antonio Water Company	233.58	233.58	233.58	233.58	934.320
San Bernardino, County of (Shooting Park)	-	-	-	-	0.000
Santa Ana River Water Company	201.71	201.71	201.71	201.71	806.820
Upland, City of	442.17	442.17	442.17	442.17	1,768.680
West End Consolidated Water Co	146.88	146.88	146.88	146.88	587.520
West Valley Water District	99.88	99.88	99.88	99.88	399.500
	10,000.00	10,000.00	10,000.00	10,000.00	40,000.00

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Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:	acre-feet
CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)						Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO	
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period		
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905	
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669	
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764	
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227	
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163	
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203	
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157	
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427	
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653	
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393	
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195	
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328	
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168	
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456	
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639	
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163	
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857	
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688	
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634	
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070	
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761	
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032	
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552	

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Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14 2014/15

Remaining Desalter Replenishment Obligation (RDRO):

CDA Production - Peace I Allocation	29,541.000
CDA Production - Peace II Allocation	449.000
Total Desalter Replenishment Obligation (Total DRO):	29,990.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
RDRO	7,490.000

acre-feet

Appropriative Pool Party	Operating Safe Yield	Production Year 2014/15 Common Data (From Approved 2015/2016 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	426.139	0.000	0.000	0.000	0.000	426.139	22.092
Chino Hills, City of	2,111.422	3,757.338	(96.029)	0.000	0.000	0.000	3,709.324	301.763
Chino, City of	4,033.857	6,546.044	(6,460.660)	(90.247)	0.000	4.863	3,225.467	376.343
Cucamonga Valley Water District	3,619.454	14,639.960	0.000	0.000	0.000	0.000	14,639.960	946.618
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	331.365
Fontana Water Company	1.000	13,344.225	0.000	0.000	0.000	0.000	13,344.225	691.853
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	720.259	0.000	0.000	0.000	0.000	720.259	58.672
Jurupa Community Services District	2,061.118	12,805.464	0.000	(370.990)	0.000	32.103	12,466.577	753.156
Marygold Mutual Water Company	655.317	1,250.349	0.000	0.000	0.000	0.000	1,250.349	98.795
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	35.085
Monte Vista Water District	4,823.954	7,401.629	(132.454)	0.000	0.000	(387.636)	6,947.766	610.278
Niagara Bottling, LLC	0.000	1,859.765	0.000	0.000	0.000	0.000	1,859.765	96.415
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.207
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	10.449
Ontario, City of	11,373.816	17,675.687	(4,388.312)	(1,856.735)	0.000	0.000	13,624.796	1,295.997
Pomona, City of	11,215.852	12,520.382	0.000	0.000	0.000	0.000	12,520.382	1,230.551
San Antonio Water Company	1,506.888	1,479.087	0.000	0.000	0.000	0.000	1,479.087	154.801
San Bernardino, County of (Shooting Park)	0.000	10.868	0.000	0.000	0.000	0.000	10.868	0.563
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	67.467
Upland, City of	2,852.401	3,416.416	0.000	0.000	0.000	0.000	3,416.416	324.993
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	49.132
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	33.403
	54,834.000	97,853.612	(11,077.455)	(2,317.972)	0.000	(350.670)	89,641.380	7,490.000

Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14 2015/16

Remaining Desalter Replenishment Obligation (RDRO):

CDA Production - Peace I Allocation	acre-feet 27,009.000
CDA Production - Peace II Allocation	1,154.000
Total Desalter Replenishment Obligation (Total DRO):	28,163.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
Non-Ag Pool Contribution	0.000
RDRO	5,663.000

Appropriative Pool Party	Operating Safe Yield	Production Year 2015/16 Common Data (From Approved 2016/17 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = $\frac{[a+APP]}{[Total\ a + Total\ APP]} * RDRO$
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	356.162	0.000	0.000	0.000	0.000	356.162	13.551
Chino Hills, City of	2,111.422	1,633.459	(85.178)	0.000	0.000	0.000	1,590.870	140.859
Chino, City of	4,033.857	5,009.976	(5,488.140)	(43.133)	0.000	521.297	2,222.773	238.043
Cucamonga Valley Water District	3,619.454	20,537.150	0.000	0.000	0.000	(2.410)	20,534.740	918.984
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	243.183
Fontana Water Company	1.000	15,317.165	0.000	0.000	0.000	0.000	15,317.165	582.803
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	807.419	0.000	0.000	0.000	0.000	807.419	46.375
Jurupa Community Services District	2,061.118	9,283.627	0.000	(358.622)	0.000	27.748	8,952.753	419.040
Marygold Mutual Water Company	655.317	752.723	0.000	0.000	0.000	0.000	752.723	53.571
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	25.748
Monte Vista Water District	4,823.954	8,358.319	(117.688)	0.000	0.000	(36.910)	8,262.565	497.897
Niagara Bottling, LLC	0.000	1,774.574	0.000	0.000	0.000	0.000	1,774.574	67.516
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.152
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	7.668
Ontario, City of	11,373.816	22,849.257	(3,559.596)	(1,235.830)	0.000	0.000	19,833.629	1,187.335
Pomona, City of	11,215.852	9,963.663	0.000	0.000	0.000	0.000	9,963.663	805.807
San Antonio Water Company	1,506.888	1,030.847	0.000	0.000	0.000	0.000	1,030.847	96.552
San Bernardino, County of (Shooting Park)	0.000	9.396	0.000	0.000	0.000	0.000	9.396	0.357
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	49.513
Upland, City of	2,852.401	2,600.725	0.000	0.000	0.000	0.000	2,600.725	207.473
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	36.057
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	24.514
	54,834.000	100,284.462	(9,250.602)	(1,637.585)	0.000	509.725	94,010.004	5,663.000

Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14 2016/17

Remaining Desalter Replenishment Obligation (RDRO):

CDA Production - Peace I Allocation	26,726.000
CDA Production - Peace II Allocation	1,527.000
Total Desalter Replenishment Obligation (Total DRO):	28,253.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
Non-Ag Pool Contribution	(735.000)
RDRO	5,018.000

acre-feet

Appropriative Pool Party	Operating Safe Yield	Production Year 2015/16 Common Data (From Approved 2016/17 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Package Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	367.348	0.000	0.000	0.000	0.000	367.348	13.019
Chino Hills, City of	2,111.422	2,246.284	(94.257)	0.000	0.000	0.000	2,199.156	152.769
Chino, City of	4,033.857	4,971.503	(4,531.420)	(51.143)	0.000	0.000	2,654.650	237.044
Cucamonga Valley Water District	3,619.454	16,561.990	0.000	0.000	0.000	0.000	16,561.990	715.239
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	226.526
Fontana Water Company	1.000	13,250.493	0.000	0.000	0.000	0.000	13,250.493	469.639
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	850.347	0.000	0.000	0.000	0.000	850.347	44.720
Jurupa Community Services District	2,061.118	11,497.599	0.000	(505.790)	0.000	31.408	11,023.217	463.715
Marygold Mutual Water Company	655.317	618.563	0.000	0.000	0.000	0.000	618.563	45.147
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	23.985
Monte Vista Water District	4,823.954	7,086.159	(125.309)	(17.784)	0.000	(78.112)	6,927.609	416.481
Niagara Bottling, LLC	0.000	1,531.557	0.000	0.000	0.000	0.000	1,531.557	54.279
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.142
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	7.143
Ontario, City of	11,373.816	24,839.724	(4,222.013)	(1,647.489)	0.000	0.000	21,081.229	1,150.221
Pomona, City of	11,215.852	8,066.802	0.000	0.000	0.000	0.000	8,066.802	683.386
San Antonio Water Company	1,506.888	537.746	0.000	0.000	0.000	0.000	537.746	72.463
San Bernardino, County of (Shooting Park)	0.000	13.037	0.000	0.000	0.000	0.000	13.037	0.462
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	46.121
Upland, City of	2,852.401	1,259.776	0.000	0.000	0.000	(187.860)	1,071.916	139.080
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	33.597
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	22.835
	54,834.000	93,698.928	(8,972.999)	(2,222.206)	0.000	(234.564)	86,755.659	5,018.000

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Appropriative Pool: Remaining Desalter Replenishment Obligation

Production Year

2013-17

Appropriative Pool Party	RDRO				Total
	PY 13-14	PY 14-15	PY 15-16	PY 16-17	
Arrowhead Mtn Spring Water Co	15.905	22.092	13.551	13.019	64.567
Chino Hills, City of	397.669	301.763	140.859	152.769	993.061
Chino, City of	306.764	376.343	238.043	237.044	1,158.194
Cucamonga Valley Water District	828.227	946.618	918.984	715.239	3,409.068
Fontana Union Water Company	268.163	331.365	243.183	226.526	1,069.238
Fontana Water Company	645.203	691.853	582.803	469.639	2,389.498
Fontana, City of	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	48.157	58.672	46.375	44.720	197.924
Jurupa Community Services District	842.427	753.156	419.040	463.715	2,478.337
Marygold Mutual Water Company	82.653	98.795	53.571	45.147	280.166
Monte Vista Irrigation Company	28.393	35.085	25.748	23.985	113.211
Monte Vista Water District	499.195	610.278	497.897	416.481	2,023.851
Niagara Bottling, LLC	56.328	96.415	67.516	54.279	274.539
Nicholson Trust	0.168	0.207	0.152	0.142	0.669
Norco, City of	8.456	10.449	7.668	7.143	33.715
Ontario, City of	1,228.639	1,295.997	1,187.335	1,150.221	4,862.192
Pomona, City of	1,012.163	1,230.551	805.807	683.386	3,731.907
San Antonio Water Company	111.857	154.801	96.552	72.463	435.673
San Bernardino, County of (Shooting Park)	0.688	0.563	0.357	0.462	2.071
Santa Ana River Water Company	56.634	67.467	49.513	46.121	219.735
Upland, City of	238.070	324.993	207.473	139.080	909.614
West End Consolidated Water Co	39.761	49.132	36.057	33.587	158.538
West Valley Water District	27.032	33.403	24.514	22.835	107.784
	6,742.552	7,490.000	5,663.000	5,018.000	24,913.552

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EXHIBIT E

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

November 13, 2018

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on November 13, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Pete Hall	State of California – CIM
Lawrence Dimock	State of California – CIM
John Huitsing	Dairy
Nathan deBoom	Dairy
Carol Boyd	State of California – CIM
Bob Page	County of San Bernardino
Ronald Pietersma	Dairy
Ron LaBrucherie, Jr.	Crops

WATERMASTER BOARD MEMBER PRESENT

Paul Hofer	Crops
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WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Nelson	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate
Frank Yoo	Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group, Inc.
Richard Rees	Wood plc
Craig Stewart	Wood plc

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:09 p.m.

AGENDA – ADDITIONS/REORDER

(0:00:13) Chair Feenstra congratulated Mr. Hofer on his reelection and announced that the Pool will take Business Item II.E. after confidential session.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Agricultural Pool Meeting held on October 11, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of September 2018
2. Watermaster VISA Check Detail for the month of September 2018

3. Combining Schedule for the Period July 1, 2018 through September 30, 2018
4. Treasurer's Report of Financial Affairs for the Period July 1, 2018 through September 30, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through September 30, 2018

C. APPLICATION FOR RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage account.

(0:01:32)

Motion by Mr. Nathan deBoom, seconded by Vice-Chair Jeff Pierson, and by unanimous vote
Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. FISCAL YEAR 2018/19 ASSESSMENT PACKAGE

Recommend Advisory Committee approval of the Fiscal Year 2018/19 Assessment Package indicating the preferred version, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

(0:02:12) Mr. Kavounas prefaced Business Item II.A. and introduced Mr. Yoo to give a presentation. A discussion ensued.

(0:09:21)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. John Huitsing, and by unanimous vote
Moved to approve Business Item II.A. as presented, using a single decimal point regarding the volumes of water.

B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2018/19

Review Resolution 2018-05 as presented, and offer advice to Watermaster.

(0:10:03) Mr. Kavounas gave a report.

(0:10:27)

Motion by Mr. Nathan deBoom, seconded by Vice-Chair Jeff Pierson, and by unanimous vote
Moved to approve Business Item II.B. as presented.

C. WATERMASTER REAPPOINTMENT

Recommend future Watermaster appointment to the Advisory Committee.

(0:10:43) Mr. Kavounas gave a report.

(0:12:15) Chair Feenstra announced that the Pool supports the five-year reappointment of the nine-member Watermaster Board.

(0:12:42)

Motion by Ms. Carol Boyd, seconded by Vice-Chair Jeff Pierson, and by unanimous vote
Moved to recommend reappointing the Watermaster nine-member Board for a five-year term.

D. FISCAL YEAR 2017/18 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE

Recommend to the Advisory Committee to recommend to the Watermaster Board to approve the 2017/18 Annual Report of the Ground-Level Monitoring Committee, along with filing a copy with the Court.

(0:13:19) Mr. Malone gave a report.

(0:14:22)

*Motion by Mr. Pete Hall, seconded by Mr. Nathan deBoom, and by unanimous vote
Moved to approve Business Item II.D. as presented.*

E. SAFE YIELD RESET-RELATED AGREEMENT (DISCUSSION AND POTENTIAL ACTION)

Business Item II.E. was taken after confidential session with no action to report.

F. AMENDMENT OF POOLING PLAN FOR THE OVERLYING (NON-AGRICULTURAL) POOL

Consider the proposed amendment to the NAP Pooling Plan and take appropriate action.

(0:14:46) Mr. Kavounas gave a report.

(0:15:40)

*Motion by Vice-Chair Jeff Pierson, seconded by Mr. Pete Hall, and by unanimous vote
Moved to approve Business Item II.F. as presented.*

G. FISCAL YEAR 2018/19 EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION

Consider approval of the Non-Agricultural Pool's proposed FY 2018/19 substitute Physical Solution Transfer rate of \$655.00 per acre-foot based on three conditions: (a) the Court does not enter an order on or prior to December 31, 2018 authorizing the Non-Agricultural Pool Committee to establish the price in connection with its now pending motion to amend the Non-Agricultural Pool Pooling Plan; (b) the Appropriative Pool Committee agrees to such price on or prior to November 15, 2018; and (c) the Court enters an order approving such price as a negotiated price for the current 2018/2019 fiscal year, and, recommend Advisory Committee approval, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

(0:16:00) Mr. Kavounas gave a report. A discussion ensued.

(0:16:48) Mr. LaBrucherie, Jr. joined the meeting.

(0:17:43)

*Motion by Mr. Nathan deBoom, seconded by Vice-Chair Jeff Pierson, and by unanimous vote
Moved to approve Business Item II.G. as presented.*

H. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. December 28, 2018 Hearing

(0:18:16) Mr. Herrema gave a report and an update on the Safe Yield Reset appeal. A discussion ensued.

B. ENGINEER REPORT

1. Salinity Management Update
2. Impact Analysis of Chino Airport Plume Remedy on Groundwater Levels

(0:20:56) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

1. Fiscal Year 2018/19 Assessment Invoicing

(0:29:36) Mr. Joswiak gave a report. A discussion ensued.

D. GM REPORT

1. Annual Finding of Substantial Compliance with the Recharge Master Plan
2. Watermaster Board Meeting Frequency
3. 40th Judgment Anniversary Commemoration
4. CY 2019 Volume Votes
5. December Meeting Schedule
6. Other

(0:31:02) Mr. Kavounas gave a report. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for October 2018
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a Confidential Session at 2:15 p.m. to discuss Appeal of April 28, 2017 Order, December 28, 2018 Hearing, Non-Ag Pool Filing, Storage, and Ag Pool Rules and Regulations. Ms. Egoscue announced that Confidential Session concluded at 3:17 p.m. with no reportable action.

Mr. Page left the meeting during Confidential Session at 3:15 p.m.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 3:19 p.m.

Secretary: _____

Approved: _____ January 10, 2019

EXHIBIT F

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL – SPECIAL MEETING
November 27, 2018

The Appropriative Pool special meeting was held via conference call using the Chino Basin Watermaster conference call on November 27, 2018.

APPROPRIATIVE POOL MEMBERS PRESENT ON CALL

Teri Layton, Chair	San Antonio Water Company
Van Jew, Vice-Chair	Monte Vista Water District
Rosemary Hoerning	City of Upland
Courtney Jones for Scott Burton	City of Ontario
John Bosler	Cucamonga Valley Water District
Todd Corbin	Jurupa Community Services District
Dave Crosley	City of Chino
Eric Tarango	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Darron Poulsen	City of Pomona

OTHERS PRESENT ON CALL

Manny Martinez	Monte Vista Water District
Eric Grubb	Cucamonga Valley Water District
Steve Popelar	Jurupa Community Services District
Rob Donlan	Ellison, Schneider, & Harris LLP
Jimmy Gutierrez	Jimmy L. Gutierrez, A Law Corporation
Raul Garibay	City of Pomona

CALL TO ORDER

Chair Layton called the Appropriative Pool special meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into confidential session to discuss Appropriative Pool Strategic Planning. Confidential session concluded at 9:40 a.m. with the following reportable action:

Motion by Mr. Cris Fealy, seconded by Mr. John Bosler, and by unanimous vote

Moved to approve the “2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments (11/21/2018 version)” and conditioned upon the subsequent approval of each of Appropriative Pool member’s governing body intends to sign said agreement. Further, the Pool directs its counsel to join in the motion to approve the Appropriative Pool Pooling Plan and CAMA Amendments.

ADJOURNMENT

Chair Layton adjourned the Appropriative Pool special meeting at 9:40 a.m.

Secretary: _____

Approved: _____ January 10, 2019

EXHIBIT G

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL - SPECIAL MEETING

December 13, 2018

The Agricultural Pool special meeting was held at the offices of the Milk Producer's Council located at 13545 S. Euclid Avenue, Ontario CA and via conference call on December 13, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Lawrence Dimock	State of California – CIM
Nathan deBoom	Dairy
Henry De Haan	Dairy
Ronald Pietersma	Dairy
John Huitsing	Dairy
Ron Labrucherie, Jr.	Crops

WATERMASTER BOARD MEMBER PRESENT

Paul Hofer	Crops
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OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group, Inc.
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AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Pete Hall	State of California – CIM
Geoffrey Vanden Heuvel	Dairy
Carol Boyd	State of California – CIM

OTHERS PRESENT ON CALL

Marilyn Levin	State of California – DOJ
Richard Rees	Wood plc

CALL TO ORDER

Chair Feenstra called the Agricultural Pool special meeting to order at 1:00 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into Confidential Session to discuss the Appeal of April 28, 2017 Order, Writ of Mandate, and 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments. Confidential session concluded at 2:28 p.m. with the following reportable action:

Tom Bunn, on behalf of the parties to the appeal, Chino Basin Municipal Water District v. City of Chino Court of Appeal Case No. E068640, (Appeal), sent an email to the attorney for the Ag Pool on November 21, 2018, containing the final version of the 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments with exhibits (2018 Proposed Agreement). Having received and reviewed the email and attachments, the Ag Pool now makes the following motion reiterating and further clarifying previous requests regarding the 2018 Proposed Agreement:

The Safe Yield Reset and related methodology is an integral part of the Court's April 28, 2017 Order resetting the Chino Basin Safe Yield at 135,000 acre-feet per year (Reset Order). The Ag Pool has made repeated requests for the parties to the Appeal to acknowledge the Court's Safe Yield Reset and Order regarding the related methodology process because the 2018 Proposed Agreement is allegedly an agreement to resolve the Appeal of the Reset Order. The Safe Yield Reset and the related methodology were the result of lengthy, arduous, and resource intensive negotiations between the Pools and the parties to the Judgment.

At its July 19, 2018 meeting, the Ag Pool voted unanimously to conditionally approve the process and the following documents provided in advance of the meeting by Watermaster staff: (1) 2018 Acknowledgment and Consent to CAMA Amendments; (2) Physical Solution Transfers; and (3) Chino Basin Watermaster Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment. As reflected in the meeting minutes, the Ag Pool's approval was made contingent upon the following modifications to the above documents: *(1) all three documents should be merged into one inclusive document; (2) on page 2, paragraph 2 please add the effective date of the Safe Yield reset; (3) on page 2, paragraph 2 please clarify that the Safe Yield process that was part of the Judge's Reset Order including peer review and the reset process remains in effect; (4) page 4, (iv) please clarify what is meant by the term "particular year;" and (5) page 8, the State requests that they be removed as a signatory.*

At its September 13, 2018 meeting, the Ag Pool revoked its July 19 conditional approval of the proposed Safe Yield Reset-Related Agreements as presented, and respectfully requested that the parties address the Ag Pool comments made on July 19, 2018, as follows: *(1) please add the effective date of the Safe Yield Reset; (2) please include the Safe Yield process that was part of the Judge's April 28, 2017 Order; and (3) the Ag Pool respectfully requests that the final version of the Safe Yield Reset-Related Agreements be brought back to the October 2018 Pool meeting for the Ag Pool's reconsideration.*

Again, these requests were made by the Ag Pool because the Proposed Agreement was allegedly provided in order to resolve the Appeal. Despite this, the relevant requested language is not yet incorporated into the final 2018 Proposed Agreement.

Therefore, the Ag Pool hereby withholds its approval of the final version of the 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments as transmitted by Tom Bunn on November 21, 2018. We propose the following modifications to the 2018 Proposed Agreement are made in total: (1) add the language ordering the Safe Yield Reset; and (2) include the language regarding the Safe Yield reset methodology process. The relevant language from the Reset Order is set forth below for ease of reference and clarity and must be included in the 2018 Proposed Agreement before the Ag Pool will consider approval of the 2018 Proposed Agreement.

4.1 Safe Yield Reset. Consistent with the prior orders of the Court pursuant to its continuing jurisdiction, effective July 1, 2010 and continuing until June 30, 2020, the Safe Yield for the Basin is reset at 135,000 AFY. For all purposes arising under the Judgment, the Peace Agreements and the OBMP Implementation Plan, the Safe Yield shall be 135,000 AFY, without exception, unless and until Safe Yield is reset in accordance with the procedures set forth in this order, and determined by the Court pursuant to its retained continuing jurisdiction.

4.2 Scheduled Reset. Watermaster will initiate a process to evaluate and reset the Safe Yield by July 1, 2020 as further provided in this order. Subject to the provisions of Paragraph 4.3 below, the Safe Yield, as it is reset effective July 1, 2020 will continue until June 30, 2030. Watermaster will initiate the reset process no later than January 1, 2019, in order to ensure that the Safe Yield, as reset, may be approved by the court no later than June 30, 2020. Consistent with the provisions of the OBMP Implementation Plan, thereafter Watermaster will conduct a Safe Yield evaluation and reset process no less frequently than every ten years. This Paragraph is deemed to satisfy Watermaster's obligation, under Paragraph 3(b) of Exhibit "I" to the Restated Judgment, to provide notice of a potential change in Operating Safe Yield.

4.3 Interim Correction. In addition to the scheduled reset set forth in Paragraph 4.2 above, the Safe Yield may be reset in the event that, with the recommendation and advice of the Pools and Advisory Committee and in the exercise of prudent management discretion described in Paragraph 4.5(c),

below, Watermaster recommends to the court that the Safe Yield must be changed by an amount greater (more or less) than 2.5% of the then-effective Safe Yield.

4.4 Safe Yield Reset Methodology. The Safe Yield has been reset effective July 1, 2010 and shall be subsequently evaluated pursuant to the methodology set forth in the Reset Technical Memorandum. The reset will rely upon long-term hydrology and will include data from 1921 to the date of the reset evaluation. The long-term hydrology will be continuously expanded to account for new data from each year, through July 2030, as it becomes available. This methodology will thereby account for short-term climatic variations, wet and dry. Based on the best information practicably available to Watermaster, the Reset Technical Memorandum sets forth a prudent and reasonable professional methodology to evaluate the then prevailing Safe Yield in a manner consistent with the Judgment, the Peace Agreements, and the OBMP Implementation Plan. In furtherance of the goal of maximizing the beneficial use of the waters of the Chino Basin, Watermaster, with the recommendation and advice of the Pools and Advisory Committee, may supplement the Reset Technical Memorandum's methodology to incorporate future advances in bestmanagement practices and hydrologic science as they evolve over the term of this order.

4.5 Annual Data Collection and Evaluation. In support of its obligations to undertake the reset in accordance with the Reset Technical Memorandum and this order, Watermaster shall annually undertake the following actions: (a) Ensure that, unless a Party to the Judgment is excluded from reporting, all production by all Parties to the Judgment is metered, reported, and reflected in Watermaster's approved Assessment Packages; (b) Collect data concerning cultural conditions annually with cultural conditions including, but not limited to, land use, water use practices, production, and facilities for the production, generation, storage, recharge, treatment, or transmission of water; (c) Evaluate the potential need for prudent management discretion to avoid or mitigate undesirable results including, but not limited to, subsidence, water quality degradation, and unreasonable pump lifts. Where the evaluation of available data suggests that there has been or will be a material change from existing and projected conditions or threatened undesirable results, then a more significant evaluation, including modeling, as described in the Reset Technical Memorandum, will be undertaken; and, (d) As part of its regular budgeting process, develop a budget for the annual data collection, data evaluation, and any scheduled modeling efforts, including the methodology for the allocation of expenses among the Parties to the Judgment. Such budget development shall be consistent with section 5.4(a) of the Peace Agreement.

4.6 Modeling. Watermaster shall cause the Basin Model to be updated and a model evaluation of Safe Yield, in a manner consistent with the Reset Technical Memorandum, to be initiated no later than January 1, 2024, in order to ensure that the same may be completed by June 30, 2025.

4.7 Peer Review. The Pools shall be provided with reasonable opportunity, no less frequently than annually, for peer review of the collection of data and the application of the data collected in regard to the activities described in Paragraphs 4.4, 4.5, and 4.6 above.

4.8 No Retroactive Accounting. Notwithstanding that the initial Safe Yield reset, described in Paragraph 4.1 above, shall be effective as of July 1, 2010, Watermaster will not, in any manner, including through the approval of its Assessment Packages, seek to change prior accounting of the prior allocation of

Safe Yield and Operating Safe Yield among the Parties to the Judgment for
production years prior to July 1, 2014.
(Reset Order at 15:18 – 18:15.)

*Motion by Mr. Ronald Pietersma, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote
Moved to approve the actions as shown above.*

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool special meeting at 2:28 p.m.

Secretary: _____

Approved: _____ January 10, 2019

EXHIBIT H

**MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL – SPECIAL MEETING**

December 20, 2018

The Non-Agricultural Pool special meeting was held via conference call using the Chino Basin Watermaster conference call on December 20, 2018.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Chair	California Speedway Corporation
Bob Bowcock, Vice-Chair	CalMat Co.
Ramsey Haddad	California Steel Industries
Tom O'Neill	City of Ontario (Non-Ag)
Andrew Silva for Bob Page	County of San Bernardino (Non-Ag)
Michael Adler for Natalie Costaglio	Hamner Park Associates, a California Limited Partnership
Van Jew for Mark Kinsey	Monte Vista Water District (Non-Ag)

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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CALL TO ORDER

Chair Geye called the Non-Agricultural Pool special meeting to order at 3:30 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into confidential session to discuss the Safe Yield Reset-Related Agreement and Non-Agricultural Pool Pooling Plan Amendment & Court Filing. Confidential session concluded at 4:10 p.m. with the following reportable action:

1. Adopted the Resolution attached and authorized the Pool Chair to take such further action as he deems appropriate to implement the Resolution.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool special meeting at 4:10 p.m.

Secretary: _____

Approved: _____ January 10, 2019

RESOLUTION

OF NON-AGRICULTURAL POOL COMMITTEE

The Non-Agricultural Pool Committee (the "NAP"), has received a report that on today's date the Appropriative Pool Committee (the "AP") adopted a resolution in the form attached as Exhibit A hereto. In reliance thereon, the NAP, for itself and each of its members voting in favor of this resolution, hereby resolve and affirm that they do not and shall not oppose (or otherwise file or offer to the Court any negative comments about) the Appropriative Pool Pooling Plan and CAMA Amendments which are attached as an exhibit to the AP's resolution, or entry of an order approving the amendments.

Date: December 20, 2018

In favor: California Speedway Corporation
California Steel Industries, Inc.
CalMat Co.
City of Ontario
County of San Bernardino
Hamner Park Associates
Monte Vista Water District

Against: None

Abstention: None

EXHIBIT A

APPROPRIATIVE POOL

RESOLUTION

The Appropriative Pool, for itself and each of its members voting in favor of this resolution, hereby resolve and affirm that they do not and shall not oppose (or otherwise file or offer to the Court any negative comments about) either the Motion Regarding Amendment of Pooling Plan for the Non-Agricultural Pool filed by the Non-Agricultural Pool Committee (the "NAP") on or about October 3, 2018, or entry of the proposed order submitted by the NAP thereon.

This resolution is contingent upon and shall be effective and irrevocable upon adoption by the NAP, for itself and each of its members voting in favor of the resolution, of a resolution that the NAP will not oppose (or otherwise file or offer to the Court any negative comments about) either the Appropriative Pool Pooling Plan and CAMA Amendments, which are attached, or entry of an order approving the amendments.

Date: December 20, 2018

In favor:

Fontana Water Company

City of Chino

City of Chino Hills

City of Ontario

City of Pomona

Cucamonga Valley Water District

Jurupa Community Services District

Monte Vista Water District

Nicholson Trust

Against: None

Abstention: San Antonio Water Company

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Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

10. ~~Unallocated Safe Yield Water.~~ To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. **Early Transfer**

- A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* ~~rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;~~

- B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate~~ quantity of water not Produced by the Agricultural Pool *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(hi) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph 8(e) 5(e) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

- (1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and*
- (2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.*

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) ~~(ii)~~-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. ~~pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production.~~ Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

- (3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*
 - (4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*
 - (5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*
 - (v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*
 - (vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*
7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:
- a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph ~~8(e)~~-5(e) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

EXHIBIT I

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL – SPECIAL MEETING

December 20, 2018

The Appropriative Pool special meeting was held via conference call using the Chino Basin Watermaster conference call on December 20, 2018.

APPROPRIATIVE POOL MEMBERS PRESENT ON CALL

Teri Layton, Chair	San Antonio Water Company
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
John Bosler	Cucamonga Valley Water District
Cris Fealy	Fontana Water Company
Steve Popelar	Jurupa Community Services District
Scott Burton	City of Ontario
Darron Poulsen	City of Pomona

OTHERS PRESENT ON CALL

Amanda Coker	City of Chino
Courtney Jones	City of Ontario

CALL TO ORDER

Chair Layton called the Appropriative Pool special meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into confidential session to discuss Appropriative Pool Strategic Planning. Confidential session concluded at 9:56 a.m. with the following reportable action:

The Appropriative Pool, for itself and each of its members voting in favor of this resolution, hereby resolve and affirm that they do not and shall not oppose (or otherwise file or offer to the Court any negative comments about) either the Motion Regarding Amendment of Pooling Plan for the Non-Agricultural Pool filed by the Non-Agricultural Pool Committee (the "NAP") on or about October 3, 2018, or entry of the proposed order submitted by the NAP thereon.

This resolution is contingent upon and shall be effective and irrevocable upon adoption by the NAP, for itself and each of its members voting in favor of the resolution, of a resolution that the NAP will not oppose (or otherwise file or offer to the Court any negative comments about) either the Appropriative Pool Pooling Plan and CAMA Amendments, which are attached, or entry of an order approving the amendments.

Motion by Mr. Darron Poulsen, seconded by Mr. Cris Fealy, and by unanimous vote
Moved to approve the actions as described above.

Abstention by Ms. Teri Layton – San Antonio Water Company

ADJOURNMENT

Chair Layton adjourned the Appropriative Pool special meeting at 9:56 a.m.

Secretary: _____

Approved: _____ January 10, 2019

EXHIBIT J

**WATERMASTER RESOLUTION
NO. 2019-03**

**RESOLUTION OF THE CHINO BASIN WATERMASTER
REGARDING 2018 APPROPRIATIVE POOL POOLING PLAN AND CAMA AMENDMENTS**

1. **WHEREAS**, the Chino Basin Watermaster was appointed pursuant to the Judgment in Chino Basin Municipal Water District v. City of Chino (San Bernardino Superior Court Case No. RCV RS51010) to administer and enforce the provisions of the Judgment and any subsequent instructions and orders of the Court;

2. **WHEREAS**, the Judgment was entered in 1978 and set the initial Safe Yield of the Chino Basin at 140,000 acre-feet per year (AFY), but reserved continuing jurisdiction to the Court to amend the Judgment, inter alia, to redetermine the Safe Yield after the first ten years of operation of the Physical Solution established under the Judgment;

3. **WHEREAS**, the Parties to the Judgment have executed; and Watermaster, with the advice and consent of the Pools and Advisory Committees, has endorsed; and the Court has approved, the following agreements to implement the Physical Solution ("Court Approved Management Agreements"):

[1] the Chino Basin Peace Agreement, dated June 29, 2000, as subsequently amended in September 2004 and December 2007;

[2] the Peace II Measures (Court approved on December 21, 2007);

[3] the OBMP Implementation Plan, dated June 29, 2000, as supplemented in December 2007;

[4] the Recharge Master Plan, dated 1998, as updated in 2010, amended in 2013, and updated in 2018;

[5] the Watermaster Rules and Regulations dated June 2000, as amended; and

[6] Watermaster Resolution 2010-04 ("Resolution of the Chino Basin Watermaster regarding Implementation of the Peace II Agreement and the Phase III Desalter Expansion in Accordance with the December 21, 2007 Order of the San Bernardino Superior Court");

4. **WHEREAS**, on April 28, 2017, the Court entered its Orders for Watermaster's Motion Regarding 2015 Safe Yield Reset Agreement, Amendment of Restated Judgement, Paragraph 6 ("April 28, 2017 Order"), which, among other things, reset the Safe Yield of the Basin to 135,000 AFY. On June 23, 2017, the Cucamonga Valley Water District filed a notice of appeal of the April 28, 2017 Order. On June 26, 2017, the City of Pomona filed a notice of appeal of the April 28, 2017 Order. On June 23, 2017, the Monte Vista Water District filed a notice of appeal of the April 28, 2017 Order. The appeal is 4th Appellate District Division 2 Case E068640.

5. **WHEREAS**, the Cucamonga Valley Water District, the City of Pomona, the Monte Vista Water District (collectively "Appellants") and respondents to the appeal, the Jurupa Community Services District, the City of Chino, and the City of Ontario (collectively "Respondents," and Appellants and Respondents collectively described as the "Appeal Parties") have reached an agreement to settle the appeal. The Appeal Parties' agreement is contingent upon action by the Court to approve certain amendments to the Restated Judgment and to direct Watermaster to comply with proposed amendments to the Peace Agreement and Peace II Agreement (collectively entitled the "2018 Appropriative Pool Pooling Plan and CAMA Amendments" and hereinafter referred to as "the 2018 Proposed Changes").

6. **WHEREAS**, the Court of Appeal, by a November 7, 2018 Order, remanded the matters on appeal to the Court for the limited purpose of, and for the limited time necessary for, the Court's consideration and decision on the Appeal Parties' motion for approval of the 2018 Proposed Changes.

7. **WHEREAS**, the Overlying (Non-Agricultural) Pool, the Overlying (Agricultural) Pool, and the Appropriative Pool Committees considered the 2018 Proposed Changes, and forwarded the Appeal Parties' request to the Advisory Committee; and

8. **WHEREAS**, the Advisory Committee considered the 2018 Proposed Changes and, following deliberation, supported the 2018 Changes and forwarded it to the Watermaster Board for its support.

NOW, THEREFORE, on the basis of the staff reports, expert opinions and substantial evidence presented, Watermaster finds that:

1. The 2018 Proposed Changes, attached hereto as Exhibit "A", collectively consist of:
 - a. Amendments to Paragraph 10 of Exhibit "H" to the Restated Judgment regarding the allocation of the portion of the share of the Safe Yield allocated to the Overlying (Agricultural) Pool that is not produced in a particular year ("Unproduced Agricultural Pool Water");
 - b. Amendments to Section 1.1(o) and Section 5.3(g) of the Peace Agreement regarding the Early Transfer of Unproduced Agricultural Pool Water following satisfaction of land use conversion claims;
 - c. Deletion of Section 7.1 and amendment of Section 6.2(b) of the Peace II Agreement regarding Desalter Replenishment;
 - d. The amendment of the current Court-approved schedule accounting for access to Re-Operation water, consistent with Exhibit "B" hereto; and
 - e. Amendment of section 9.2(a) of the Peace II Agreement to correct a previous drafting error.
2. The Parties to the Appeal have represented that the 2018 Proposed Changes will, if approved by the Court, result in their voluntary dismissal of the pending appeal from the Court's April 28, 2017 Order.
3. Watermaster is in substantial compliance with the Recharge Master Plan as required by Restated Judgment Exhibit "I" 2(b)(6) and the requested amendment of the current Court-approved schedule accounting for access to Re-Operation water will not cause Material Physical Injury;
4. The 2018 Proposed Changes are implementable, provided that Watermaster can proceed to recalculate Safe Yield in the manner expressly approved by the Court on pages 15-18 of the Court's April 28, 2017 Order.
5. The physical changes contemplated by the Proposed Changes have been reviewed by Watermaster's Engineer and will not result in Material Physical Injury.
6. The signatories to the Peace Agreement and the Peace II Agreement have received notice of the Proposed Changes and have expressly or impliedly consented to the amendments provided that: (i) the Overlying (Agricultural) Pool (acting in a representative capacity) has opposed the Proposed Changes and Watermaster's adoption of this Resolution *unless* Watermaster is concurrently ordered by the Court to reset the Safe Yield as provided on pages 15-18 of the Court's April 28, 2017 Order, a condition which Watermaster supports and (ii) the Overlying (Non-Agricultural) Pool (acting in a representative capacity) is not opposed to the Proposed Changes on the condition that its Pooling Plan is concurrently amended, to which Watermaster has no objection.


7. If necessary, any required signatures from Parties to the Peace Agreement can be secured by March 15, 2019, or by a later date established by the Court.
8. A consensual resolution of the pending dispute will result in increased efficiencies and certainty in the administration of the Restated Judgment.

NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

1. The 2018 Proposed Changes can be implemented and Watermaster endorses the 2018 Proposed Changes so long as the Court instructs Watermaster to follow the provisions of pages 15-18 of the Court's April 28, 2017 order.
2. Watermaster will comply with the provisions of the 2018 Proposed Changes as may be ordered by the Court.
3. Section 10.14 of the Peace Agreement, requiring the consent of all parties thereto to amendments to that Agreement, will be satisfied if the Court: (i) approves the Proposed Changes; (ii) orders the Safe Yield to be reset in accordance with the procedure set forth on pages 15-18 of the Court's April 28, 2017 Order and (iii) concurrently approves the Overlying (Non-Agricultural) Pool's proposed amendments to its Pooling Plan that will modify agreements that are referenced in the Peace II Agreement.
4. The Watermaster Board will transmit this Resolution 2019-03, the 2018 Proposed Changes, and the referenced Attachments to the Court, and, in accordance with the requests by the parties thereto, the advice and counsel of the Pool Committees, and the Advisory Committee, Watermaster recommends that the Court approve the Proposed Changes, approve the amendments to the Overlying (Non-Agricultural) Pool Pooling Plan and further orders that Watermaster be directed to reset Safe Yield as provided on pages 15-18 of the Court's April 28, 2017 Order and to proceed in accordance with the Court Approved Management Agreements as amended.
5. The Watermaster Board directs Watermaster legal counsel to prepare and file a motion with the Court in support of the 2018 Proposed Changes in a manner consistent with this Resolution.

ADOPTED by the Watermaster Board on this 11th day of January 2019.

By:



Chairman, Watermaster Board

ATTEST:



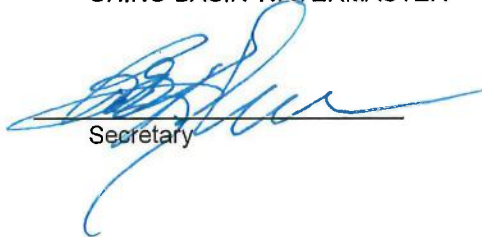
Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary/Treasurer of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-03, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: 9
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER



Secretary

Date: 1/11/2019

LIST OF EXHIBITS

- Exhibit "A" 2018 Appropriative Pool Pooling Plan and CAMA Amendments
- Exhibit "B" Amended schedule for access to Re-Operation water

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. Appropriative Pool Pooling Plan. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.*
- (iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:*
- (1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.*
 - (2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).*

(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph ~~8(e)~~ 5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

acre-feet

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO	
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

EXHIBIT B

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
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Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

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Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

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FEE EXEMPT

12 Attorneys for
13 **CHINO BASIN WATERMASTER**

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF SAN BERNARDINO

16 CHINO BASIN MUNICIPAL WATER
17 DISTRICT,

18 Plaintiff,

19 v.

20 CITY OF CHINO, et al.,

21 Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the Honorable
Stanford E. Reichert]

**DECLARATION OF PETER KAVOUNAS
IN SUPPORT OF MOTION REGARDING
AMENDMENTS TO RESTATED
JUDGMENT, PEACE AGREEMENT,
PEACE II AGREEMENT, AND RE-
OPERATION SCHEDULE**

Date: March 15, 2019
Time: 1:30 p.m.
Dept.: S35

[Filed concurrently herewith: Motion Regarding
Amendments to Restated Judgment, Peace
Agreement, Peace II Agreement, and Re-
Operation Schedule; Declaration of Bradley J.
Herrema; Declaration of Mark Wildermuth;
[Proposed] Order]

22 I, Peter Kavounas, declare as follows:

23 1. I currently serve as the General Manager of the Chino Basin Watermaster
24 (“Watermaster”). I have served in this capacity since September 4, 2012. I have personal
25 knowledge of the facts stated in this declaration, except where stated on information and belief,
26
27
28

1 and if called as a witness, I could and would competently testify to them under oath.

2 2. As the General Manager of Watermaster, I am intimately familiar with actions
3 taken by the Pool Committees, Advisory Committee, and the Watermaster Board, and the
4 directives to staff from the Board. My role as General Manager includes attending all Pool
5 Committee, Advisory Committee, and Watermaster Board meetings.

6 3. On October 18, 2018, via a written letter, the Appropriative Pool requested that the
7 Watermaster Board direct staff and counsel to review the substantive terms of the then-current
8 version of the draft of proposed amendments to the Restated Judgment, the Peace Agreement, the
9 Peace II Agreement, and the Re-Operation schedule (“2018 Proposed Changes”). The
10 Watermaster Board subsequently directed staff and counsel to proceed with the requested review.
11 According to that direction, I, with the assistance of my staff and counsel, reviewed the 2018
12 Proposed Changes and compiled a letter with our comments on the 2018 Proposed Changes. This
13 letter was included in the agenda package for the November 2018 regular Pool Committee
14 meetings. As more specifically stated in the letter, it is my opinion that the 2018 Proposed
15 Changes can be implemented if the Proposed Changes were to incorporate the language of pages
16 15-18 of the Court’s April 28, 2017 Order.

17 4. I am aware that the Agricultural Pool has made a request for assurance regarding
18 the effect of pages 15-18 of the Court’s April 28, 2017 Order but that no confirmation has been
19 forthcoming from the parties to the Appeal.

20 5. Watermaster has initiated the next reset of the Safe Yield, in order to ensure that
21 that the Safe Yield, as next reset, may be approved by the Court no later than June 30, 2020.

22 6. With the Court’s clarification on the effect of pages 15-18 of the Court’s April 28,
23 2017 Order, Watermaster can implement the 2018 Proposed Changes knowing the start date of
24 the yield accounting and the process to follow to achieve a timely compliance with the April 28,
25 2017 Order’s procedure and schedule to develop any adjustments to Safe Yield in 2020.

26 7. I was present at the Watermaster Board’s January 11, 2019 meeting and provided
27 my opinions to the Board prior to its adoption of Watermaster Resolution No. 2019-03.

28 I declare under penalty of perjury under the laws of the State of California that the

1 foregoing is true and correct.

2 Dated this 15th day of January, 2019, at Rancho Cucamonga, California.

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Peter Kavounas

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FEE EXEMPT

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12 Attorneys for
13 **CHINO BASIN WATERMASTER**

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF SAN BERNARDINO

16 CHINO BASIN MUNICIPAL WATER
17 DISTRICT,

18 Plaintiff,

19 v.

20 CITY OF CHINO, et al.,

21 Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the Honorable
Stanford E. Reichert]

**DECLARATION OF MARK
WILDERMUTH IN SUPPORT OF
MOTION REGARDING AMENDMENTS
TO RESTATED JUDGMENT, PEACE
AGREEMENT, PEACE II AGREEMENT,
AND RE-OPERATION SCHEDULE**

Date: March 15, 2019
Time: 1:30 p.m.
Dept.: S35

[Filed concurrently herewith: Motion Regarding
Amendments to Restated Judgment, Peace
Agreement, Peace II Agreement, and Re-
Operation Schedule; Declaration of Peter
Kavounas; Declaration of Bradley J. Herrema;
[Proposed] Order]

22 I, Mark Wildermuth, declare as follows:

23 1. I am the founder and President of Wildermuth Environmental Inc., a water
24 resources consulting firm. I am a licensed civil engineer in California and a hydrologist with
25 about 42 years of experience. I have personal knowledge of the facts stated in this declaration,

1 except where stated on information and belief, and if called as a witness, I could and would
2 competently testify to them under oath.

3 2. I am a hydrologist and a registered engineer and have been involved in the Chino
4 Basin as such for approximately 34 years.

5 3. As a consultant to Watermaster, I assisted in the development of Watermaster's
6 OBMP and the OBMP Implementation Plan, and I am familiar with the Court-approved actions
7 requiring OBMP implementation, including the Peace Agreement and the Peace II Agreement.

8 4. As part of my work for the Chino Basin Watermaster, I work closely with the
9 Chino Basin Desalter Authority in order to assist Watermaster in ensuring that its Desalter
10 construction and operation obligations, both to the Regional Water Quality Control Board for the
11 Santa Ana Region in regard to Maximum Benefit and Hydraulic Control, and to the Court in
12 regard to the OBMP Implementation Plan, are met.

13 5. In 2007, Western Municipal Water District (WMWD) proposed to assume the
14 obligation of pursuing the Future Desalters and they were subsequently joined by the Jurupa
15 Community Services District and the City of Ontario. This initial group comprised less than the
16 complete Chino Basin Desalter Authority membership – that had constructed and was operating
17 the then-existing Desalters. The proposed allocation of Re-Operation water at the time of the
18 Peace II Agreement was developed to ensure the completion of the additional 10 MGD of
19 desalting capacity by WMWD and to reflect its capital commitments.

20 6. I have reviewed the draft of proposed amendments to the Restated Judgment, the
21 Peace Agreement, the Peace II Agreement, and the Re-Operation schedule contemplated by the
22 parties to the appeal of this Court's April 28, 2017 Orders for Watermaster's Motion Regarding
23 2015 Safe Yield Reset Agreement, Amendment of Restated Judgment, Paragraph 6. In my
24 opinion, the proposed amendments will not cause Material Physical Injury.

25 ///

26 ///

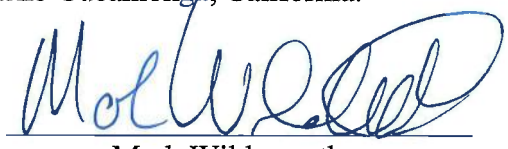
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 15th day of January, 2019, at Rancho Cucamonga, California.



Mark Wildermuth

18576247

BROWNSTEIN HYATT FARBER SCHRECK, LLP
1021 Anacapa Street, 2nd Floor
Santa Barbara, CA 93101-2102

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

 Plaintiff,

 v.

CITY OF CHINO et al.,

 Defendant.

Case No. RCV RS51010

Assigned for All Purposes to the
Honorable Stanford E. Reichert

**[PROPOSED] FINDINGS AND ORDER
REGARDING AMENDMENTS TO
RESTATED JUDGMENT, PEACE
AGREEMENT, PEACE II AGREEMENT,
AND RE-OPERATION SCHEDULE**

The Court having read, reviewed, and considered all pleadings, declarations, and exhibits presented for the March 15, 2019 hearing, and the arguments of counsel, if any, the Court finds as follows:

(1) Watermaster is in substantial compliance with the approved Recharge Master Plan as required by Restated Judgment Exhibit “I”, paragraph 2(b)(6), and the amended schedule set forth in Exhibit “B” to Watermaster’s Resolution 2019-03 providing the quantities of Re-Operation Water that may be accessed by the Parties will not cause material physical injury to the Basin.

(2) The signatories to the Peace Agreement and the Peace II Agreement have been notified of Watermaster’s Motion Regarding Amendments to Restated Judgment, Peace Agreement, Peace II agreement, and Re-Operation Schedule and have consented to the proposed

1 amendments to the Peace Agreement and Peace II Agreement set forth in Watermaster's
2 Resolution 2019-03;

3 (3) The proposed amendments to the Court Approved Management Agreements are
4 implementable by Watermaster provided that it can proceed to redetermine Safe Yield on a timely
5 basis as provided on pages 15-18 of this Court's April 28, 2017 Order.

6 SUBJECT TO THE CONTINUING JURISDICTION OF THE COURT, the Court hereby
7 makes the following Orders:

8 (1) Watermaster's adoption of its Resolution 2019-03 is approved and Watermaster
9 shall proceed in accordance with the Resolution and the documents attached thereto;

10 (2) Watermaster shall proceed to redetermine Safe Yield as set forth on pages 15-18 of
11 the Court's April 28, 2017 Order;

12 (3) The amendment to Paragraph 10 of Exhibit "H" to the Restated Judgment as
13 shown in Attachment A hereto is approved;

14 (4) The amended schedule for access to Re-Operation water shown in Attachment B
15 hereto is approved;

16 (5) The amendments to Paragraphs 6, 9, and 10 of Exhibit "G" to the Restated
17 Judgment as shown in Attachment C hereto are approved; and

18 (6) Watermaster shall implement the Restated Judgment and continue to comply with
19 all commitments made in the Court Approved Management Agreements, as amended by this
20 Order.

21
22 IT IS SO ORDERED.

23 Dated: _____

JUDGE OF THE SUPERIOR COURT

24
25
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27 18540473

ATTACHMENT A
[PROPOSED] ORDER

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. Appropriative Pool Pooling Plan. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) (ii) *A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.*
- (iv) *Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:*
- (1) *In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.*
 - (2) *Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).*

- (3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*
- (4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*
- (5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*
- (v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*
- (vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

- a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph 8(e)-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

acre-feet

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

ATTACHMENT B
[PROPOSED] ORDER

EXHIBIT B

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

ATTACHMENT C
[PROPOSED] ORDER

EXHIBIT A

PROPOSED AMENDMENT TO THE NON-AGRICULTURAL POOL POOLING PLAN

1. Section 6 of Exhibit G to the Judgment (the NAP Pooling Plan) is hereby amended and restated as follows:

6. Assignment. Rights herein decreed are appurtenant to that land and are only assignable with the land for overlying use thereon; provided, however (a) that any appropriator who may, directly or indirectly, undertake to provide water service to such overlying lands may, by an appropriate agency agreement on a form approved by Watermaster, exercise said overlying right to the extent, but only to the extent necessary to provide water service to said overlying lands, and (b) the members of the pool shall have the right to Transfer or lease their quantified production rights within the pool or to Watermaster in conformance with the procedures described in the Peace Agreement between the parties therein, dated June 29, 2000 for the term of the Peace Agreement. Any production pursuant to any such agency agreement (1) shall not constitute production in the Appropriative Pool for the purpose of calculating any assessments imposed on members of the Appropriative Pool, including without limitation replenishment assessments; and (2) shall constitute production in the Non-Agricultural Pool by the assignor for the purpose of calculating any assessments imposed on members of the Non-Agricultural Pool, with the continuing dedications by members of the Non-Agricultural Pool of 10% of their annual share of Operating Safe Yield to desalter replenishment pursuant to Section 5(c) being the sole and exclusive method by which such members shall be required to contribute at any time to desalter production or desalter replenishment.

2. Section 9 of Exhibit G to the Judgment (the NAP Pooling Plan) is hereby amended and restated as follows:

9. Physical Solution Transfers. All overlying rights are appurtenant to the land and cannot be assigned or conveyed separate or apart therefrom except that for the term of the Peace Agreement the members of the Overlying (Non-Agricultural) Pool shall have the discretionary right to Transfer or lease their quantified Production rights and carry-over water held in storage accounts in quantities that each member may from time to time individually determine as Transfers in furtherance of the Physical Solution: (i) within the Overlying (Non-Agricultural) Pool; (ii) to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000; (iii) in conformance with the procedures described in Paragraph I of the Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural Pool dated June 30, 2007; or (iv) to Watermaster and thence to members of the Appropriative Pool in accordance with the following guidelines and those procedures Watermaster may further provide in Watermaster's Rules and Regulations:

(a) By December 31 of each year, the members of the Overlying (Non-Agricultural) Pool shall notify Watermaster of the amount of water each member

shall make available in their individual discretion for purchase by the Appropriators. The Pool Committee of the Overlying (Non-Agricultural) Pool may, by affirmative action of its members from time to time, establish a price for such water or a method pursuant to which such price will be established. By January 31 of each year, Watermaster shall provide a Notice of Availability of each Appropriator's pro-rata share of such water;

(b) Except as they may be limited by paragraph 9(e) below, each member of the Appropriative Pool will have, in their discretion, a right to purchase its pro-rata share of the supply made available from the Overlying (Non-Agricultural) Pool at the price at which the water is being offered. Each Appropriative Pool member's pro-rata share of the available supply will be based on each Producer's combined total share of Operating Safe Yield and the previous year's actual Production by each party;

(c) If any member of the Appropriative Pool fails to irrevocably commit to their allocated share by March 1 of each year, its share of the Overlying (Non-Agricultural) Pool water will be made available to all other members of the Appropriative Pool according to the same proportions as described in 9(b) above and at the price at which the water is being offered. Each member of the Appropriative Pool shall complete its payment for its share of water made available by June 30 of each year.

(d) Commensurate with the cumulative commitments by members of the Appropriative Pool pursuant to (b) and (c) above, Watermaster will purchase the surplus water made available by the Overlying (Non-Agricultural) Pool water on behalf of the members of the Appropriative Pool on an annual basis at the price at which the water is being offered and each member of the Appropriative Pool shall complete its payment for its determined share of water made available by June 30 of each year.

(e) Any surplus water cumulatively made available by all members of the Overlying (Non-Agricultural) Pool that is not purchased by Watermaster after completion of the process set forth herein will be pro-rated among the members of the Pool in proportion to the total quantity offered for transfer in accordance with this provision and may be retained by the Overlying (Non-Agricultural) Pool member without prejudice to the rights of the members of the Pool to make further beneficial use or transfer of the available surplus.

(f) Each Appropriator shall only be eligible to purchase their pro-rata share under this procedure if the party is: (i) current on all their assessments; and (ii) in compliance with the OBMP.

(g) The right of any member of the Overlying (Non-Agricultural) Pool to transfer water in accordance with this Paragraph 9(a)-(c) in any year is dependent upon Watermaster making a finding that the member of the Overlying (Non-Agricultural) Pool is using recycled water where it is both physically available and appropriate for the designated end use in lieu of pumping groundwater.

(h) Nothing herein shall be construed to affect or limit the rights of any Party to offer or accept an assignment as authorized by the Judgment Exhibit "G" paragraph 6 above, or to affect the rights of any Party under a valid assignment.

3. A new Section 10 of Exhibit G to the Judgment (the NAP Pooling Plan) is inserted as follows:

10. Elective Transfers for Desalter Replenishment. Any member of the Non-Agricultural Pool (including without limitation any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool) may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to Watermaster required by Section 5(c) hereof), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. Any such transfer shall be effective upon delivery by the transferor or transferee to Watermaster staff of written notice of such transfer in the form attached hereto as Form A. The transferee's desalter replenishment obligation shall be credited by the number of acre feet so transferred.

4. Existing Section 10 of Exhibit G to the Judgment (the NAP Pooling Plan) is renumbered as Section 11 as follows:

11. Rules. The Pool Committee shall adopt rules for administering its program and in amplification of the provisions, but not inconsistent with, this pooling plan.

FORM A

NOTICE OF ELECTIVE TRANSFER FOR DESALTER REPLENISHMENT

QUANTITY:

_____ Acre-Feet of Annual Share of Operating Safe Yield for Current Year

_____ Acre-Feet of Carryover

_____ Acre-Feet of Excess Carryover

Transferor and Transferee hereby provide written notice to Watermaster staff of a transfer by the Transferor, in its capacity as a member of the Non-Agricultural Pool, to Transferee, in its capacity as a member of the Appropriative Pool, of water in the quantity and of the type set forth above pursuant to Section 10 of Exhibit G to the Judgment.

<p>TRANSFEROR NAME: _____</p> <p>By: _____ Name: _____ Its: _____ Dated: _____</p>	<p>TRANSFEEE NAME: _____</p> <p>By: _____ Name: _____ Its: _____ Dated: _____</p>
--	---

CHINO BASIN WATERMASTER

Case No. RCVRS 51010

Chino Basin Municipal Water District v. City of Chino, et al.

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On January 15, 2019 served the following:

1. CHINO BASIN WATERMASTER NOTICE OF MOTION AND MOTION REGARDING AMENDMENTS TO RESTATED JUDGMENT, PEACE AGREEMENT, PEACE II AGREEMENT, AND RE-OPERATION SCHEDULE
2. DECLARATION OF BRADLEY J. HERREMA IN SUPPORT OF MOTION REGARDING AMENDMENTS TO RESTATED JUDGMENT, PEACE AGREEMENT, PEACE II AGREEMENT, AND RE-OPERATION SCHEDULE
3. DECLARATION OF PETER KAVOUNAS IN SUPPORT OF MOTION REGARDING AMENDMENTS TO RESTATED JUDGMENT, PEACE AGREEMENT, PEACE II AGREEMENT, AND RE-OPERATION SCHEDULE
4. DECLARATION OF MARK WILDERMUTH IN SUPPORT OF MOTION REGARDING AMENDMENTS TO RESTATED JUDGMENT, PEACE AGREEMENT, PEACE II AGREEMENT, AND RE-OPERATION SCHEDULE
5. [PROPOSED] FINDINGS AND ORDER REGARDING AMENDMENTS TO RESTATED JUDGMENT, PEACE AGREEMENT, PEACE II AGREEMENT, AND RE-OPERATION SCHEDULE

/ X / BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

See attached service list: Mailing List 1

/ ___ / BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

/ ___ / BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

/ X / BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on January 15, 2019 in Rancho Cucamonga, California.



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Chino Basin Watermaster

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